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Colonies

Canada 27

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British
Parliamentary Papers

REPORTS CORRESPONDENCE AND
OTHER PAPERS
RELATING TO CANADA

1867-74

Colonies
Canada

27



SHANNON · IRELAND

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BRITISH COLUMBIA.

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dated 2 July 1868;—for,

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Vancouver Island, Governor *Seymour* of *British Columbia*, and the
Colonial Office, on the subject of a SITE for the CAPITAL of *British*
Columbia.”

Colonial Office, }
27 July 1868. }

C. B. ADDERLEY.

(*Mr. Graves.*)

Ordered, by The House of Commons, to be Printed,
28 July 1868.

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Despatches from the Governor.

— No. 1. —

No. 1.

EXTRACT of a DESPATCH from Governor *Seymour* to His Grace the Duke of *Buckingham and Chandos*, dated New Westminster, 11th March 1867. No. 41. Governor Seymour to the Duke of Buckingham and Chandos.
 “I HAVE the honour to forward the address and reply with which the present Legislative Session was opened,” 11 March 1867.

Enclosure 1, in No. 1.

EXTRACT of SPEECH of the GOVERNOR.

Encl. 1, in No. 1.

I SHALL address you by message on the subject of education and a few other topics of importance during the course of the session. One of these will probably be as to the cause of the selection made for the seat of Government of the United Colony. Up to within a few hours of meeting you, I had not the intention of touching upon it; but I am informed that the question creates an amount of interest which I cannot comprehend, but which appears to me a sign of great local depression. I shall address you on the subject by message.

Enclosure 2, in No. 1.

EXTRACT of Reply of the Legislative Council.

Encl. 2, in No. 1.

WE shall look forward with anxiety to the messages which your Excellency has been pleased to promise us upon the important subjects of education and the seat of Government.

— No. 2. —

No. 2.

EXTRACT of DESPATCH from Governor *Seymour* to His Grace the Duke of *Buckingham and Chandos*, dated New Westminster, 10th April 1867. No. 61. Governor Seymour to the Duke of Buckingham and Chandos.
 “I HAVE the honour to report that I closed the first session of the Legislature of the United Colony on the 2nd instant. I enclose copy of my speech.” 10 April 1868.

Enclosure in No. 2.

Encl. in No. 2.

EXTRACT of GOVERNOR'S SPEECH.

IF, in spite of your resolution in favour of Victoria, I still hesitate on removing my abode and the seat of the Legislature from the spot established by law, you will understand that I consider the public faith and honour engaged on the one side, and possible expediency on the other. If, as some persons assert, the present uncertainty be found to be more detrimental to the public interests than any decision which may be arrived at, I shall come to that decision, and make public the recommendation I may lay before the Secretary of State. I, however, look confidently forward to the time when the centre of population will be found on the eastern side of the Cascade Range.

— No. 3. —

No. 3.

Governor Seymour
to the Duke of
Buckingham and
Chandos.

13 July 1867.

EXTRACT of DESPATCH from Governor *Seymour* to His Grace the *Duke of Buckingham and Chandos*, dated Victoria, 13th July 1867. No. 87.

Proclamation.
14 Feb. and
20 July 1859.

"I WISH the question of the seat of Government to be set at rest, and if your Grace can see your way to establish it at Victoria without injustice to those who have purchased land at New Westminster on the faith of the proclamations I enclose, I shall not offer one word of remonstrance. Either town will suit me equally well as a place of residence, and in the present financial condition of the Colony, I shall be very glad to have but one house to keep up. Victoria has made the most progress; consequently, perhaps, under existing depression, it would be well to concentrate our waning resources upon the spot where the greatest outlay has been made. I will not allow that Victoria possesses any natural advantages over New Westminster, but it is older and more developed as a town."

* * * * *

I enclose the message I addressed to the Legislative Council on the subject. The last paragraph simply means that I will not be controlled in my policy by meetings held in the Victoria Theatre.

Enclosure 1, in No. 3.

Encl. 1, in No. 3.

BRITISH COLUMBIA.

PROCLAMATION

By His Excellency *James Douglas*, Companion of the Most Honourable Order of the Bath, Governor and Commander in Chief of British Columbia.

WHEREAS it is expedient to publish, for general information, the method to be pursued with respect to the alienation and possession of agricultural lands, and of lands proposed for the sites of towns in British Columbia, and with reference also to the places for levying shipping and customs duties, and for establishing a capital and port of entry in the said Colony;

Now therefore, I, *James Douglas*, Governor of the said Colony, do proclaim and declare as follows, viz.:

1. All the lands in British Columbia, and all the mines and minerals therein, belong to the Crown in fee.

2. The price of lands, not being intended for the sites of towns, and not being reputed to be mineral lands, shall be 10 s. per acre, payable one-half in cash at the time of the sale, and the other half at the end of two years from such sale. Provided that under special circumstances some other price, or some other terms of payment may from time to time be specially announced for particular localities.

3. It

FOR THE CAPITAL OF BRITISH COLUMBIA.

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3. It shall also be competent to the executive at any time to reserve such portions of the unoccupied Crown lands, and for such purposes as the executive shall deem advisable.

4. Except as aforesaid, all the land in British Columbia will be exposed in lots for sale, by public competition at the upset price above mentioned, as soon as the same shall have been surveyed and made ready for sale. Due notice will be given of all such sales. Notice at the same time will be given of the upset price and terms of payment when they vary from those above stated, and also of the rights reserved (if any) for public convenience.

5. All lands which shall remain unsold at any such auction may be sold by private contract at the upset price, and on the terms and conditions herein mentioned, on application to the Chief Commissioner of Lands and Works.

6. Unless otherwise specially notified at the time of sale, all such sales of Crown land shall be subject to such public rights of way as may at any time after such sale, and to such private rights of way, and of leading or using water for animals, and for mining and engineering purposes as may at the time of such sale be specified by the Chief Commissioner of Lands and Works.

7. Unless otherwise specially announced at the time of sale, the conveyance of the land shall include all trees and all mines and minerals within and under the same, except mines of gold and silver.

8. When any "Ditch Privilege" shall be granted, there shall be included (unless excluded by express words) the right to lop, dress, or fell any trees standing on unoccupied Crown lands which, in the opinion of the proprietors of the ditch, might by their accidental fall or otherwise, endanger the safety of the ditch or any part thereof.

GOLD CLAIMS.

9. Until further notice, gold claims and mines shall continue to be worked, subject to the existing regulations.

CAPITAL OF BRITISH COLUMBIA.

10. It is intended with all dispatch to lay out and settle the site of a city to be the capital of British Columbia, on the right or north bank of Fraser River.

11. Plans of the city are intended to be prepared and published in the month of March next. Three-fourths of the whole number of lots, excluding the public reserves, will be submitted in lots to public competition, by auction, in the month of April. One-fourth of the whole number of lots, excluding the public reserves, will be reserved in blocks for purchasers in the United Kingdom, Her Majesty's Colonies in North America, and elsewhere. All of such last-mentioned lots which may not be disposed of in the United Kingdom, or Her Majesty's Colonies, other than British Columbia, will be submitted to public competition in this Colony, of which due notice will be given.

12. As the Government is desirous of concentrating the commercial interest of the Colony in and around the capital, purchasers of town lots in the said proposed capital who may be owners of town lots in Langley, under the late sale on the 25th November last, on which the whole amount of purchase-money has been paid to the Government, will if so disposed, be allowed to surrender the lots in Langley so purchased, and to have the price so paid to the Government allowed them as payment in full for a lot or lots purchased by them in the said proposed capital of an equal or less price in the aggregate, and as payment in part for lots in the said proposed capital of a greater price in the aggregate. Every such surrender must be executed and delivered in writing, addressed to the Chief Commissioner of Lands and Works in British Columbia, at Victoria, Vancouver Island, one week at least, previous to the day appointed for the intended sale.

13. The proposed capital will be declared to be a port of entry so soon as the necessary arrangements shall have been provided, which will be done with all convenient dispatch. Custom House officers will then be stationed there, and vessels will be able to proceed direct to Fraser River without touching at Victoria, or may clear at Victoria, at their option.

14. The whole of the river frontage will be laid out in a continuous road, the edge of which it is contemplated ultimately to convert into a public quay. No quay will, however, be at present constructed at the public expense, nor will the absolute property of the soil along the edge of the water be now alienated by the Crown. But the right to make and maintain quays of convenient sizes, and to demand certain tolls and rates for the use thereof, will be granted to private individuals for the space of seven years; such rights will be disposed of at public auction at or immediately after the sale of town lots, to the

CORRESPONDENCE RELATIVE TO A SITE

bidder of the highest annual rent. No restrictions will be placed on the lessee as to the form or nature of the quays, except such as shall be necessary to protect the public safety and convenience.

Issued under the public seal of the Colony of British Columbia at Victoria, Vancouver Island, this fourteenth day of February, one thousand eight hundred and fifty-nine, in the twenty-second year of Her Majesty's reign, by me,

James Douglas. (L. S.)

By his Excellency's command,
William A. G. Young, Acting Colonial Secretary.

GOD SAVE THE QUEEN.

Enclosure 2, in No. 3.

BRITISH COLUMBIA.

Encl. 2, in No. 3.

PROCLAMATION

By His Excellency *James Douglas*, Companion of the most Honourable Order of the Bath, Governor and Commander in Chief of *British Columbia*, Vice Admiral of the same, &c.

WHEREAS Her Majesty the Queen has been graciously pleased to decide that the capital of British Columbia shall be styled the City of New Westminster;

Now therefore, I, James Douglas, do hereby declare and proclaim that the town heretofore called and known as Queensborough, and sometimes as Queenborough, in the Colony of British Columbia, shall from henceforth be called and known as New Westminster, and shall be so described in all legal processes and official documents.

Issued under the public seal of the said Colony at Victoria, Vancouver Island, this twentieth day of July, one thousand eight hundred and fifty-nine, in the twenty-third year of Her Majesty's reign.

(signed) *James Douglas.*

By command of his Excellency,
William A. G. Young, Acting Colonial Secretary.

GOD SAVE THE QUEEN.

Enclosure 3, in No. 3.

Encl. 3, in No. 3.

(No. 37.)

MESSAGE.

Frederick Seymour.

THE Governor lays before the Legislative Council, for their information, certain petitions addressed to him, requesting that Victoria may be made, according to some of these papers, the capital, according to others, the seat of Government of the United Colony.

It is in no cavilling spirit that he points out that those first alluded to, appear to have been signed under a false impression. There is no intention of erecting public offices in New Westminster during the present condition of the colonial finances. The Government officers do not complain of the accommodation afforded to them; and if economy be alone considered, the retention of the seat of Government on the banks of the Fraser is to be preferred, inasmuch as a considerable outlay would be required to make the Government House at Victoria permanently habitable.

It is a matter of sincere regret to the Governor, that this vast and thinly-peopled territory should, in the early stage of its political existence, have been divided into two separate Colonies, and that two necessarily rival towns should have been founded in comparatively close proximity. His labours would now be lighter, and the Colony more prosperous, had the spare resources of the inhabitants been concentrated in the erection of one town of magnitude, of sufficient importance and attraction to retain during the winter the greater part of the unattached population of the Colony. He would not care if the site for the capital had been fixed where Victoria now stands, or on the Bay of Esquimalt, or at New Westminster. Nor could he, if the matter had been clearly understood by all, have objected to one scale of taxation being fixed, favourable to commerce, upon those who elected to live

live in the chief town, or within a certain radius of it, and another upon those who took to other occupations in outlying districts. But it is not in order to express-regret over the past, that the Governor now comments on the petitions he forwards.

New Westminster was, by proclamation, having the force of law, created the "Capital" of British Columbia. Her Majesty was invited to name the young city, and bestowed on it the designation it now bears. Though styled capital, it would not appear to have been the seat of Government, and the affairs of the mainland were directed from the chief town of the neighbouring insular Colony. Dissatisfaction, whether general or local the Governor is not in a position to say, ensued, and Her Majesty was advised to separate the Administration of the Government of British Columbia from that of Vancouver Island.

On his acceptance of office in this Colony, the present Governor was instructed to use all means in his power to bring about an entire union of the two Colonies, which the Secretary of State had reluctantly advised the Queen to disconnect. His Grace stated that it was the intention of the Government, that New Westminster should be the seat of Government of the Colony, if a fusion could be obtained, although he believed that Victoria would always retain commercial supremacy. The Legislature of the Mainland was accordingly called upon to provide a house, suitably furnished, for the residence of the Governor, while no such provision was required from Vancouver Island.

On his arrival in the Colony, the Governor found the sum of 10,000*l.* voted for the erection of public buildings in New Westminster, but with the cheerful concurrence of the public officers interested, he declined to lay out the money in that manner, choosing rather, in the general interest, to devote it to the lowering, by improvements in communication, the price of commodities in the gold districts.

The desire for union the Governor looked for, grew and matured in a section of the present Colony, until the Imperial Legislature considered the time had arrived for carrying into effect a policy Her Majesty's Government had steadily kept in view. Then British interests on the shores of the North Pacific were consolidated by Act of Parliament.

The Governor understands that, during the passage of the Act, it was stated in both Houses of Parliament, that New Westminster should be the seat of the general Government. An influential member of the Government informed him a few days before his departure from England—"I do not think it necessary that the Secretary of State should give you instructions as to the seat of Government. It is understood that New Westminster should be the capital, and that you should visit Victoria when you think necessary. But if you wish for definite orders, you will do best to ask for them in a formal letter to the Secretary of State." The Governor has no doubt that such an application would have resulted in a Royal decision in favour of New Westminster, and he may state that it was on his intercession alone that the order to sell the Government House at Victoria was withheld.

He is of opinion that the question as to the future seat of Government and of the assembling of the Legislature had better, ultimately, be decided on local recommendation. He would, however, not desire that the interests of New Westminster should be prejudiced by his regard for the general interests of the Colony having been superior to that he felt for the comfort of himself and public officers. Nor, on the other hand, would he wish any undue consideration to be given in favour of Victoria, on account of a large outlay having been made on a governor's residence, at a time when Vancouver Island could but ill afford it. He would take no advantage of the fact of one section of the Colony having asked for unconditional union, while the other stood aloof; nor would he maintain that any Proclamation, though having the force of law, may not be repealed when the community reaches a more advanced state of population and mode of government, but, for the present, he will leave matters as they are. He will watch, without preference or prejudice, over the general interests of the Colony as they may develop themselves in the uncertain future, and will be prepared to act upon his own judgment in the advice, if any, which he may lay before Her Majesty's Ministers.

He trusts that no immediate action may be urged upon him. He feels deeply the injury the Colony has sustained from political agitation, and now states plainly that should he find it necessary to set the present question at rest, he will humbly recommend to the Queen that he and his successors in office be commanded to reside permanently in the present capital of the Colony.

Government House, 27 March 1867.

— No. 4. —

No. 4.

(No. 161.)

Governor Seymour
to the Duke of
Buckingham and
Chandos.

10 Dec. 1867.

COPY of a DESPATCH from Governor *Seymour* to His Grace the Duke of
Buckingham and Chandos.

My Lord Duke,

New Westminster, 10 December 1867.

* Page 4.

I HAVE had the honour to receive your Grace's Despatch, No. 49, of the 17th August, respecting certain resolutions passed by the Legislative Council in favour of the seat of Government of the Colony being established at Victoria. The schedule of Despatches received by your Grace from me, which came by the same mail, shows me that my communication, No. 87,* of the 13th July, on this subject is already before you.

2. The question is one really of very great difficulty in the present depressed condition of the Colony. Were either Victoria or New Westminster prosperous, it would matter but little where the Governor had his abode, and where the Legislative Council met.

3. New Westminster was proclaimed the capital of British Columbia. Vancouver Island prayed and agitated for admission on any terms into an union with the mainland Colony. Hence it would seem but natural that New Westminster should be the capital of the united Colony. Victoria, however, previous to the separation of the Colonies, was virtually the capital of both, and, as I have clearly stated in my Despatch above referred to, had concentrated many powerful influences.

4. If I may be permitted to set aside the consideration of Sir James Douglas's proclamation, and the apparent deviation from good faith towards the purchasers of town lots in New Westminster, I would state the case as follows:—

5. Victoria has the largest population, the richest shopkeepers, the largest Church endowments, the greatest trade, and is singularly favoured by the headquarters of the Pacific squadron being placed in the neighbouring harbour of Esquimalt. It is also unquestionably the most convenient place for communicating, if desirable, with the United States' authorities at San Francisco or Alaska. It has certain public offices of good appearance, but I am informed by Major General Moody, R.E., of the most unsatisfactory construction. Victoria possesses additionally a Government House of some pretensions, built at a cost of about 9,000 £, at the time when the Colony could not meet its indebtedness. This house is large and unfurnished, but being situated amongst rocks, so disposed as to keep off the sun, and not the cold breezes of the Straits, it is singularly unattractive. The walls have no paper to hide the cracks which the settlement of the older portions of the buildings have entailed upon them. There is no water on the grounds in summer; all for consumption has to be purchased.

6. New Westminster has, on the other hand, the disadvantage of being more out of the way of foreign callers, and being less connected with Her Majesty's Navy. It is away from the head-quarters of the Hudson's Bay Company's establishments, and from the abodes of the principal merchants of the Colony. It is but a small place as compared with Victoria. Its public offices are inferior; and if there be, as seems to be supposed in Victoria, a necessary connection between trade and Government, New Westminster must yield the palm to the older city. Here, however, the Government House is a cottage, without pretention, on the banks of the Fraser. It is a modest English house, nicely furnished, in a lovely situation, and abundantly supplied with water. I can hardly imagine a Governor of his own free will leaving it for the more ambitious building at Victoria, which fails to supply one of the necessities of comfort after an outlay of three times as much as the house from which I now write has cost.

7. It is held in certain petitions which have been presented to your Grace, and to which I shall refer in a separate Despatch, that the seat of Government should be where the population is most concentrated; yet such is not the opinion in the neighbouring states. Washington has not the trade or bustle of New York; Sacramento is insignificant as a settlement compared with San Francisco.

I might

FOR THE CAPITAL OF BRITISH COLUMBIA.

9

I might go the round of the states by name, and show that the deliberative and executive government are removed from the great bustling and excitable centres of population. Our, to us here, eastern Colonies seem to have followed the same principle; Ottawa has not the trade of Quebec or Montreal, Frederickton that of St. John's.

8. As regards the political question connected with the seat of Government for British Columbia, I would observe, that I never saw a community more politically excitable and tempest-torn than that of Victoria. Your Grace's predecessors will have had but too great knowledge of the mode in which matters were conducted under the late legislative constitution of Vancouver Island. Under that at present existing people are quieter, but I do not think that the Council would be as much able to do their duty to the community at large when sitting in the feverish political atmosphere of Victoria, as if deliberating in the less troubled town of New Westminster.

9. If, however, we consider the question merely as how to please immediately the greater number of persons, the selection of Victoria as a capital would be most advisable.

10. I had written thus far when I received your Grace's Despatch, No. 67,* of the 1st October; the matter to which it refers shall have my most careful consideration, and I shall reply to it by the next opportunity.

* Page 13.

I have, &c.
(signed) *Frederick Seymour.*

— No. 5. —

(No. 164.)

COPY of a DESPATCH from Governor *Seymour* to His Grace the Duke of *Buckingham and Chandos*.

No. 5.

Governor Seymour
to the Duke of
Buckingham and
Chandos.

24 Dec. 1867.

My Lord Duke,

New Westminster, 24 December 1867.

I HAVE the honour to forward the following documents:

† A memorial from the president and members of the municipal council of New Westminster, addressed to your Grace, praying that this city may be declared formally the capital of the united Colony of British Columbia.

† The Enclosures
not printed.

Certain resolutions passed at a public meeting in Victoria, representing that that city had better be selected as the seat of government.

2. This latter is the complement of the papers which were forwarded to me in your Grace's Despatch, No. 67,‡ of the 1st October. These papers fairly represent the two communities.

‡ Page 13.

I have, &c.
(signed) *Frederick Seymour.*

— No. 6. —

(No. 31.)

COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of *Buckingham and Chandos*.

No. 6.

Governor Seymour
to the Duke of
Buckingham and
Chandos.

29 April 1868.

My Lord Duke,

New Westminster, 29 April 1868.

IN obedience to the instructions conveyed in your Grace's Despatch, No. 67,§ of the 1st of October 1867, I have fixed upon a capital for the united Colony. The Message which I enclose will show that I have selected Victoria.

§ Page 13.

2. There is one circumstance in the affair which I trust you will pardon, and that is my having ventured to lay your Grace's Despatch before the Council.
483. The

The feeling existing in both New Westminster and Victoria is so strong on the subject of the seat of Government, that I felt it necessary when acting in the matter to invoke the assistance of a stronger power than my own in order to prevent disturbance.

3. I forwarded your Grace's Despatch in the Message I enclose. I received the following reply. I commenced my Despatch with the final conclusion.

4. I sincerely trust I have acted for the best. I well know I have secured but present tranquillity.

5. In my own heart, I must allow, there was a feeling in favour of the manly, respectable, loyal, and enterprising community established on the banks of the Fraser.

I have, &c.
(signed) *Frederick Seymour.*

Encl. 1, in No. 6.

Enclosure 1, in No. 6.

MESSAGE No. 1.

Frederick Seymour.

* *Vide* page 13.

THE Governor lays before the Legislative Council a Despatch,* with Enclosures, from Her Majesty's Secretary of State, directing him to come to a decision as to the selection of a seat of Government for the united Colony of British Columbia. He adds a copy of his reply.

The Governor would feel greatly obliged by the Honourable Council assisting him with their advice on the subject. He wishes it to be clearly understood that Honourable Members holding official positions are requested freely to pronounce their opinion.

Government House, 30 March 1868.

Encl. 2, in No. 6.

Enclosure 2, in No. 6.

PURSUANT to the Order of the day, the consideration of his Excellency the Governor's Message No. 1 was taken up.

The Hon. Mr. Walkem moved, the Hon. Mr. Stamp seconding :

"That this Council having been requested by his Excellency the Governor to assist him with their advice in coming to a decision as to the selection of a seat of Government for the United Colony of British Columbia, is of opinion, after careful consideration of his Excellency's Message and its Enclosures on the subject, that Victoria is the place most suitable for the seat of Government of the United Colony."

Moved in amendment by the Hon. Mr. Robson, the Hon. Mr. Barnard seconding :

"Whereas, it is highly probable that this Colony will very shortly form a part of the new Dominion of Canada ;

"And whereas, under Confederation, the seat of Government will naturally gravitate towards the centre of population on the mainland ;

"And whereas, a considerable expenditure of revenue would be involved in the removal of the seat of Government to Victoria ;

"And whereas, a reaction has already set in on the mainland against the removal of the seat of Government to Victoria ;

"And whereas, it is probable that, were the seat of Government now removed to Victoria, the people on the mainland would be found, in less than 12 months, petitioning for its restoration to the mainland ;

"And whereas, the frequent removal of the seat of Government involves great expense and inconvenience, and exerts a most injurious influence upon the public mind, by keeping up a continual agitation upon the subject, and destroying confidence ;

"And whereas, the constitution of this Council is not of that representative character which should entitle it to deal with such a question as the removal of the seat of Government, where it has been established by law ;

"And whereas, there is every reason to believe that a dissolution of this Council and a direct appeal to the country would demonstrate that a large majority of the *bonâ fide* colonists are averse to the removal of the seat of Government to Victoria ;

"And

FOR THE CAPITAL OF BRITISH COLUMBIA.

11

"And whereas, the removal of the seat of Government from where it is at present established would inflict serious injury upon an important community of British subjects, without securing any compensating advantages to the Colony at large;

"Be it therefore Resolved:

"That this Council is of opinion that it would be inexpedient to remove the seat of Government, at least until the Colony shall possess such full powers of self-government as will render its Legislature competent to deal with the question, and such fixity of population and permanent interests as may indicate, with some degree of clearness, a site which would prove to be permanently suitable."

Whereupon a debate arose.

On the amendment being put, the Council divided:

Ayes 5.
Messrs. Crease,
Hamley,
Barnard,
Robson,
Ball.

Noes 14.
Messrs. Smith,
Spalding,
Ker,
Elwyn,
Wood,
Walkem,
Macdonald,
Helmcken,
De Cosmos,
Stamp,
Pemberton,
Cox,
O'Reilly,
Trutch.

The names having been taken down by the clerk, pursuant to request.

So the amendment was lost.

The Hon. Mr. Robson rose to speak to a question of privilege.

The Hon. the Presiding Member ruled that it could not be brought before the Council until after the question now before it was disposed of.

On the original question being put, the Council again divided:

Ayes 14.
Messrs. Smith,
Spalding,
Ker,
Elwyn,
Wood,
Walkem,
Macdonald,
Helmcken,
De Cosmos,
Stamp,
Pemberton,
Cox,
O'Reilly,
Trutch.

Noes 5.
Messrs. Crease,
Hamley,
Barnard,
Robson,
Ball.

The names having been taken down by the Clerk, pursuant to request.

So it was carried in the affirmative, and resolved accordingly.

Enclosure 3, in No. 6.

MESSAGE No. 16.

Encl. 3, in No. 6.

Frederick Seymour.

THE Governor has received the Resolution of the Legislative Council, of the 2nd of April, expressing the opinion that Victoria is the place most suitable for the capital of the united Colony. Her Majesty's Government would seem to lean to the same opinion. Under these circumstances, the Governor will cause to be proclaimed, on the Queen's birthday, the selection of the capital within the town which bears Her Royal name.

Government House, 28 April 1868.

— No. 7. —

(No. 51.)

No. 7.
Governor Seymour
to the Duke of
Buckingham and
Chandos.

28 May 1868.

COPY of a DESPATCH from Governor *Seymour* to His Grace the
Duke of *Buckingham and Chandos*.

My Lord Duke,

Victoria, 28 May 1868.

I HAVE the honour to forward copy of the Proclamation by which I declared
Victoria to be the capital of the united Colony.

2. So thoroughly has the question of the relative merits of the two principal
towns for the seat of Government been canvassed, that I do not think it neces-
sary that I should prolong the present Despatch.

I have, &c.
(signed) *Frederick Seymour*.

Enclosure in No. 7.

Encl. in No. 7.

GOVERNMENT GAZETTE EXTRAORDINARY.

BRITISH COLUMBIA.

(L. S.) *Frederick Seymour*.

PROCLAMATION

By His Excellency *Frederick Seymour*, Esq., Governor and Commander in Chief in and
over the Colony of *British Columbia* and its Dependencies, Vice Admiral and Ordinary
of the same, &c., &c.

WHEREAS, under and by virtue of a Proclamation, made and issued on the 14th day of
February 1859, the site of the present city of New Westminster was laid out as the Capital
of the Colony of British Columbia as then defined and existing.

And whereas, under and by virtue of an Act of Parliament, made and passed in the 29th
and 30th years of the reign of Her Majesty Queen Victoria, intituled "The British
Columbia Act, 1866," and the Proclamation thereof made by the Governor of British
Columbia, upon the 19th day of November 1866, the formerly separate Colony of
Vancouver Island and its dependencies was united with the formerly separate Colony
of British Columbia and its dependencies, under the name of the Colony of British
Columbia :

And whereas it is expedient to declare the capital and seat of Government of the
said united Colony :

Now know ye, and I do hereby proclaim and declare as follows :—

From and after the date hereof, and until otherwise appointed by Her said Majesty
Queen Victoria, Her heirs and successors, the City of Victoria, in the Colony of
British Columbia, shall be and be deemed for all purposes whatsoever the capital and
seat of Government of the united Colony of British Columbia.

Given under my hand and the public seal of the Colony of British
Columbia, at Government House, Victoria, in the said Colony, this 25th day
of May, in the year of Our Lord one thousand eight hundred and sixty-eight,
and in the 31st year of Her Majesty's reign.

By Command,
(signed) *William A. G. Young*.

GOD SAVE THE QUEEN.

Despatches from the Secretary of State.

— No. 1. —

(No. 49.)

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos*
to Governor *Seymour*.

No. 1.

The Duke of
Buckingham and
Chandos to Go-
vernor Seymour.

17 August 1867.

Sir,

Downing-street, 17 August 1867.

I HAVE had brought under my notice the resolutions apparently passed by the Legislative Council of British Columbia in March last, but respecting which I have not received any report from you, for placing the seat of Government at Vancouvers Island, but I have informed the gentlemen from whom I received them, that I must decline adopting any conclusion on the subject until the arrival of your report, which I conclude that I shall shortly receive.

I have, &c.
(signed) *Buckingham and Chandos*.

— 2. —

(No. 67.)

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos*
to Governor *Seymour*.

No. 2.

The Duke of
Buckingham and
Chandos to Go-
vernor Seymour.

1 October 1867.

* Page 4.

Sir,

Downing-street, 1 October 1867.

I HAVE to acknowledge your Despatch, No. 87*, of the 13th of July last, from which I learn that you are not yet prepared to recommend the adoption either of Victoria or of New Westminster as the capital of British Columbia.

I leave the determination of this question still in your hands, merely desiring that it may not be long delayed.

I take the opportunity of forwarding to you various documents† which may affect your judgment, but which I have not hitherto sent to you, because I was expecting from you a definite recommendation on the subject to which they related.

† Not printed.

As the second paragraph of your Despatch contains something like an appeal to me for an expression of opinion, I think it requisite to say that the establishment of New Westminster as the capital of British Columbia did not, in my opinion, involve any pledge on the part of the Government that the site of that capital shall never be moved. It is, of course, always undesirable to disappoint natural expectations, and much consideration may be due to those who are so disappointed. But every land purchaser in New Westminster or any other locality, must be considered to buy his land, subject to the possible changes which the varying political or commercial interests of the whole community may from time to time render necessary.

I will add that, although I do not prescribe to you the choice of one or the other capital, you will be at liberty, in case you should decide in favour of Victoria, to quote the authority of the Home Government in support of that course.

I have, &c.
(signed) *Buckingham and Chandos*.

— No. 3. —

(No. 46.)

No. 3.

The Duke of
Buckingham and
Chandos to Go-
vernor Seymour.

9 July 1868.

• Page 9.

† Page 12.

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor *Seymour*.

Sir,

Downing-street, 9 July 1868.

I HAVE the honour to acknowledge the receipt of your Despatches, No. 31*, of the 29th of April, and No. 51†, of the 28th of May, the first reporting that, having brought the question of the selection of a capital for the united Colony under the consideration of the Legislative Council, you had received a resolution from them, expressing the opinion that Victoria is the place most suitable for the capital; and the second, forwarding a copy of the Proclamation by which you declared Victoria to be the capital of the united Colony on the 25th of May.

In reply, I have to inform you that I have been glad to be apprised of the settlement of a question which, while it remained open, must have furnished a continual source of irritation and uncertainty, and I feel little doubt that you have judged rightly in placing the seat of Government in that part of the Colony where the greatest stationary population has collected, and where maritime communication is easiest.

I have, &c.

(signed) *Buckingham and Chandos*,

BRITISH COLUMBIA.

COPY of EXTRACTS of CORRESPONDENCE between
Governor *Kennedy* of *Vancouver Island*,
Governor *Seymour* of *British Columbia*, and
the Colonial Office, on the subject of a Site
for the CAPITAL of *British Columbia*.

(*Mr. Graves*.)

Ordered, by The House of Commons, to be Printed,
28 July 1868.

483.

Under 2 oz.

NOVA SCOTIA.

COPIES OF DESPATCHES

FROM

VISCOUNT MONCK,

FORWARDING

REPRESENTATIONS FROM NOVA SCOTIA
AGAINST THE UNION,
AND THE ANSWER.

Presented to both Houses of Parliament by Command of Her Majesty.
10 June 1868.



LONDON:
PRINTED BY GEORGE E. EYRE AND WILLIAM SPOTTISWOODE,
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1868.

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NOVA SCOTIA.

NOVA
SCOTIA.
No. 1.

No. 1.

Viscount MONCK to the Duke of BUCKINGHAM AND CHANDOS.

(No. 28.)
MY LORD DUKE,

Government House, Ottawa, February 27, 1868.

(Received March 12, 1868.)

I HAVE the honour to transmit herewith, for your Grace's information, a copy of a Despatch from the Lieutenant-Governor of Nova Scotia, dated 13th February, covering a copy of a series of Resolutions * adopted by the Legislative Assembly of that Province, advocating the repeal, so far as it concerns Nova Scotia, of the "British North American Act, 1867;" and a copy of another Despatch of the same date, covering a copy of an approved Order of the Executive Council of Nova Scotia, authorizing the mission of the Honourable Joseph Howe to convey to Her Majesty's Government the Address of the Assembly.

I have, &c.
(Signed) MONCK.

His Grace the Duke of Buckingham and Chandos,
&c. &c. &c.

Enclosure 1 in No. 1.

Enc. 1 in No. 1

Lieutenant-Governor DOYLE to the SECRETARY OF STATE for the Provinces.

SIR,

Halifax, Nova Scotia, February 13, 1868.

I HAVE the honour to enclose, for the information of his Excellency the Governor-General, a copy of some Resolutions advocating a repeal of the provisions of "The British North American Act, 1867," (as far as it concerns the Province of Nova Scotia,) which have been introduced into the House of Assembly by the Attorney-General, and which have been to-day adopted by the House.

I have, &c.
(Signed) HASTINGS DOYLE.

The Hon. the Secretary of State for the Provinces,

Enclosure 2 in No. 1.

Enc. 2 in No. 1.

Lieutenant-Governor DOYLE to the SECRETARY OF STATE for the Provinces.

SIR,

Halifax, Nova Scotia, February 13, 1868.

I HAVE the honour to transmit to you, for the information of his Excellency the Governor-General, a copy of a Minute of Council this day submitted to me, and of which I approved.

I have not been furnished with a copy of the petition therein referred to, nor has it ever been published.

I have, &c.
(Signed) HASTINGS DOYLE.

The Hon. the Secretary of State for the Provinces,
&c. &c. &c.

Enclosure 3 in No. 1.

Enc. 3 in No. 1.

MINUTE OF COUNCIL.

THE Provincial Secretary having laid before the Council petitions to both Houses of the Imperial Parliament, signed by sixteen members of the House of Commons of Canada and by thirty-six members of the House of Assembly of this Province, praying that Nova Scotia may be relieved from the operation of the "Act for the Union of Canada, Nova Scotia, and New Brunswick:"

It is ordered, that the Honourable Joseph Howe be requested to proceed to England, by the next mail steamer, to make arrangements for the presentation of the said petition, and that he be instructed to co-operate with such gentlemen as may be hereafter charged to convey to Her Majesty's Government copies of the Resolutions and Address upon the same subject now under the consideration of the Provincial Parliament.

* The Resolutions, as ultimately passed, will be found at page 5.

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The Delegates to be empowered to press the prayer of the said Petition and Address in such manner as in their judgment may best comport with the interests and feelings of the people of Nova Scotia.

Ordered, That the Honourable the Treasurer be authorized to make provision for the expenses of this service, and to report to the Council.

No. 2.

No. 2.

Viscount MONCK to his Grace the Duke of BUCKINGHAM AND CHANDOS.

(No. 41.)

Ottawa, March 14, 1868.

MY LORD DUKE,

(Received April 1, 1868.)

I HAVE the honour to transmit, for your Grace's information, copies of a Despatch which I have received from the Lieutenant-Governor of Nova Scotia, with certain Resolutions adopted by the Legislative Assembly of that Province on the subject of the "British North American Act," of 1867.

I have, &c.

(Signed) MONCK.

His Grace the Duke of Buckingham and Chandos,
&c. &c. &c.

Enc. 1 in No. 2.

Enclosure 1 in No. 2.

Lieutenant-Governor DOYLE to the SECRETARY OF STATE for the Provinces.

SIR,

Halifax, Nova Scotia, February 27, 1868.

I THINK it my duty to state, for the information of his Excellency the Governor-General, that, for the purpose of giving effect to the Resolutions of the House of Assembly, of which a copy is enclosed,* a delegation leaves this city for England to-morrow, composed of the following gentlemen: Hon. William Annand, M.L.C., Member of the Executive Council; Hon. J. C. Troop, M.P.P., ditto; Mr. W. H. Smith, M.P.P.

With these gentlemen the Hon. Joseph Howe, who sailed for England a fortnight ago, will be associated on their arrival in London.

The Hon. the Secretary of State for the Provinces,
&c. &c. &c.

I have, &c.

(Signed) HASTINGS DOYLE.

Enc. 2 in No. 2.

Enclosure 2 in No. 2.

RESOLUTIONS.

In the House of Assembly, February 25, 1868.

Resolved—That the delegates so to be appointed are to urge upon the attention of the British Government and the Imperial Parliament the strong feelings of this House and the people of Nova Scotia upon the question of Confederation; that they are to ask for the restoration of the constitution of this country as it existed previous to the passage of the "British North America Act;" that they are not to accept any alteration of or amendment to such Act, and that they are hereby authorized, if necessary, to retain counsel learned in the law to plead the claims of Nova Scotia at the bar of the House of Commons, and to take all such necessary steps for carrying out the Resolutions of this House as may be deemed advisable.

(Signed) H. D. TWINING,
Clerk of House of Assembly.

In the House of Assembly, February 25, 1868.

Resolved—That his Excellency the Lieutenant-Governor in Council be authorized to appoint delegates charged with the Resolutions passed by this House on the 21st February instant in respect to the constitutional rights and privileges of the people of this Province.

(Signed) H. D. TWINING,
Clerk of House of Assembly.

* The Resolutions, as ultimately passed, will be found on page 5.

No. 3.

Viscount MONCK to his Grace the Duke of BUCKINGHAM AND CHANDOS.

(No. 42.)

Government House, Ottawa, Canada,
March 14, 1868.

(Received April 1, 1868.)

MY LORD DUKE,

I HAVE the honour to transmit a copy of a Despatch from the Lieutenant-Governor of Nova Scotia, forwarding to me an Address to Her Majesty the Queen from the Legislative Assembly of that Province, and I have to request that your Grace will take the necessary measures for having this Address laid at the foot of the Throne.

I have, &c.

His Grace the Duke of Buckingham and Chandos,
&c. &c. &c.

(Signed) MONCK.

Enclosure in No. 3.

Enc. in No. 3.

Lieutenant-Governor DOYLE to the Secretary of State for the Provinces.

SIR,

Halifax, Nova Scotia, February 26, 1868.

THE House of Assembly of this Province have voted the accompanying Address to the Queen,* which I have the honour to desire that you will bring to the notice of his Excellency the Governor-General, and request his Excellency to transmit to the Secretary of State for the Colonies, with a view to its being laid at the foot of the Throne.

I have, &c.

The Hon. the Secretary of State for the Provinces,
&c. &c. &c.

(Signed) HASTINGS DOYLE.

Resolutions passed unanimously by the House of Assembly of Nova Scotia, on the
21st day of February 1868.

1. *Resolved*—That the members of the Legislative Assembly of this Province, elected in 1863 simply to legislate under the Colonial Constitution, had no authority to make or consent to any material change of such Constitution without first submitting the same to the people at the polls.

2. *Resolved*—That the Resolution of the 10th April, which led to the passage of the British North America Act, and is as follows (that is to say):—

“Whereas, in the opinion of this House, it is desirable that a Confederation of the British North American Provinces should take place:

Resolved, therefore—That his Excellency the Lieutenant-Governor be authorized to appoint Delegates to arrange with the Imperial Government a scheme of union which will effectually insure just provision for the rights and interests of this Province, each Province to have an equal voice in such delegation, Upper and Lower Canada being for this purpose considered as separate Provinces,” was the only authority possessed by the Delegates who procured the enactment of the “Act for the Union of Canada, Nova Scotia, and New Brunswick.”

3. *Resolved*—That even if the House of Assembly had the constitutional power to authorize such delegation, which is by no means admitted, the foregoing Resolution did not empower the Delegates to arrange a federal union of Canada, Nova Scotia, and New Brunswick, without including in such Confederation the Colonies of Newfoundland and Prince Edward Island.

4. *Resolved*—That no Delegates from the two last-named Colonies having attended, and an unequal number from each of the others being present, the delegation was not legally constituted, and had no authority to act under the said Resolution, which expressly required each of the Colonies to be represented by an equal number of Delegates.

5. *Resolved*—That the Delegates did not “ensure just provision for the rights and interests of this Province,” as they were, by the express terms of such resolution, bound to do in arranging a scheme of Union; but, on the contrary, they entirely disregarded those rights and interests, and the scheme by them consented to would, if finally confirmed, deprive the people of this Province of their rights, liberty, and independence—rob them of their revenues—take from the regulations of their trade, commerce, and taxes the management of their railroads and other public property, expose them to an arbitrary and excessive taxation by a Legislature over which they can have no adequate control, and reduce this hitherto free, happy, and self-governed Province to the degraded condition of a dependency of Canada.

6. *Resolved*—That no fundamental or material change of the constitution of the Province can be made in any other constitutional manner than by a statute of the Provincial Legislature, sanctioned by the people after the subject matter of the same had been referred to them at the polls, the Legislature of a Colonial Dependency having no power or authority implied from their relation to the people, as their legislative representatives, to overthrow the constitution under which they were elected.

7. *Resolved*—That the scheme of confederating Canada, New Brunswick, and Nova Scotia was never submitted to the people of this Province at the polls before the 18th day of September last, upwards of

* The Address to the Queen will be found at page 6.

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two-and-a-half months after the British North America Act was, by the Queen's Proclamation, declared to be in force, when the people were thereby informed that they had been subjected, without their consent, to the absolute dominion of more populous and more powerful Colonies, and had lost their liberty.

8. *Resolved*—That there being no statute of the Provincial Legislature confirming or ratifying the British North America Act, and the same never having been consented to or authorized by the people at the polls, nor the consent of this Province in any other manner testified, the preamble of the Act reciting that this Province had expressed a desire to be confederated with Canada and New Brunswick is untrue; and when the Queen and the Imperial Legislature were led to believe that this Province had expressed such a desire, a fraud and imposition were practised upon them.

9. *Resolved*—That the truth of the preamble of the British North America Act, reciting the desire of the Nova Scotia to be confederated is essential to the constitutionality of the Statute; and if the same is false the statute is defective, because a statute cannot be rendered constitutional by falsely assuming as true the condition which is indispensable to its constitutionality.

10. *Resolved*—That from the time the scheme of Confederation was first devised in Canada until it was consummated by the Imperial Act in London, it was systematically kept from the consideration of the people of Nova Scotia at the polls; and the Executive Council and the Legislature, in defiance of petitions signed by many thousands of the electors of this Province, persistently and perseveringly prevented the same from being presented to the people.

11. *Resolved*—That at the recent election the question of Confederation exclusively occupied the attention of the people, who were then, for the first time, enabled to express their will on a subject of the most vital importance to their happiness; and the result has proved that this Province does not desire to be annexed to Canada, and that the people of Nova Scotia repudiate the enforced provisions of the British North America Act, which, for the reasons set forth in the foregoing Resolutions, they believe to be unconstitutional, and in no manner binding upon the people of Nova Scotia.

12. *Resolved*—That the Quebec Scheme, which is embodied in the British North America Act, imprudently attempted to be forced upon the people of Nova Scotia, not only without their consent, but against their will, has already created wide-spread irritation and discontent; and unless the same be withdrawn, will, we fear, be attended with the most disastrous consequences, as the loyal people of this Province are fully conscious of their rights as British subjects, set an inestimable value upon their free institutions, and will not willingly consent to the invasion of those rights, or to be subjected to the dominion of any other power than their lawful and beloved Queen.

13. *Resolved*—That the Colonies were politically allied to each other by their common relationship to the Queen and her Empire, in a more peaceable and less dangerous connexion than under any scheme of Colonial Confederation that could be devised, even on the fairest, wisest, and most judicious principles.

14. *Resolved*—That the people of Nova Scotia do not impute to Her Majesty the Queen and the Imperial Parliament any intentional injustice, as they are well aware that fraud and deception were practised upon them, by those who misrepresented the public sentiment of this country, and who, for reasons that we will not venture to assign, desired that Confederation might be forced upon this Province, without the consent and against the will of the people.

15. *Resolved*—That an humble Address be presented to the Queen embodying the substance of the foregoing Resolutions, informing Her Majesty that her loyal people of Nova Scotia do not desire to be in any manner confederated with Canada, and praying Her Majesty to revoke her Proclamation, and to cause the British North America Act to be repealed, as far as it affects the Province of Nova Scotia.

The foregoing are a true copy of the fifteen Resolutions passed unanimously by the House of Assembly of the Province of Nova Scotia on the 21st day of February, A.D. 1868, which I certify.

(Signed) HENRY TWINING,

Clerk of the House of Assembly of Nova Scotia.

Halifax, Nova Scotia, February 25th, 1868.

To the Queen's most Excellent Majesty.

The humble Address of the House of Assembly of the Province of Nova Scotia.

May it please your Majesty,

We, your Majesty's dutiful subjects, the representatives of the people of Nova Scotia in Provincial Parliament assembled, most respectfully approach your Majesty with assurances of our unabated loyalty and devoted attachment to your Majesty's person and Government.

We call the attention of your Majesty to the fact that His Majesty King George the Second, upwards of a century ago, granted to the people of Nova Scotia a Representative Constitution, and ordained that the Legislature should consist of a Governor, Council, and Assembly, constituted of the freeholders of the Province, and this Constitution was improved subsequently by the liberality of succeeding Sovereigns, in graciously conceding extensive powers of self-government to your Majesty's loyal subjects of Nova Scotia.

We would humbly submit to your Majesty that a Constitution thus solemnly granted, and guaranteed to the people of this Colony, could not be revoked without the consent of your Majesty and of the people of Nova Scotia, who had an undoubted right to be consulted before their Constitution could be materially altered.

We also humbly submit that a Legislature so constituted for the single purpose of making laws, statutes, and ordinances, for the peace, order, and government of the Colony, possessed no power nor authority in any manner to alter—much less to overthrow—the Constitution without the consent of

your Majesty, and of the people of Nova Scotia, who had a right to be consulted before such alteration could take place.

That delegates were appointed, under a resolution of the House of Assembly and Legislative Council, which bears date on the 10th day of April 1866, and is as follow, that is to say:—

“Whereas, in the opinion of this House, it is desirable that a Confederation of the British North American Provinces should take place: Resolved therefore—That his Excellency the Lieutenant-Governor be authorized to appoint Delegates to arrange with the Imperial Government a scheme of union which will effectually insure just provision for the rights and interests of this Province; each Province to have an equal voice in such Delegation—Upper and Lower Canada being for this purpose considered as separate Provinces.”

To this Resolution we beg to call your Majesty's special attention, as it constituted the only power the Delegates had to alter or interfere with the Constitution of the Province.

Your Majesty will observe that this Resolution, even if the Legislature had any power to pass it, did not clothe the Delegates with power to arrange a Federal Union of Canada, New Brunswick, and Nova Scotia, without including Newfoundland and Prince Edward Island.

That no Delegates from the two last-named Colonies having attended, and an unequal number being in attendance from each of the others, the delegation was not legally constituted, and had no authority to act under the Resolution.

That the Delegates, so far from insuring just provision for the rights and interests of this Province, which, by the express words of the Resolution they were bound to do, entirely disregarded and sacrificed those rights and interests, and the scheme by them assented to would, if adopted, deprive the people of the inestimable privilege of self-government, and of their rights, liberty, and independence, rob them of their revenues, take from them the regulation of their trade and taxation, expose them to arbitrary taxation by a Legislature over which they would have no control, and in which they would possess but a nominal and entirely ineffective representation, deprive them of their invaluable fisheries, their railroads and other property, and reduce this free, happy, and hitherto self-governed province to the degraded condition of a servile dependency of Canada.

We beg most respectfully to call your Majesty's attention to the following facts:

That the scheme of confederating Canada, New Brunswick, and Nova Scotia was never submitted to the people of this Province at the polls before the 18th day September last, upwards of two months and a half after the British North American Act was, by your Majesty's Proclamation, declared to be in force, and your Majesty's faithful subjects of Nova Scotia were thereby informed that they had been subjected, without their consent, to the absolute dominion of more populous and more powerful Colonies, and had lost their liberty.

That their being no statute of the Provincial Legislature confirming or ratifying the British North American Act, and it never having been consented to nor authorized by the people, nor the consent of this Province in any other manner testified, the preamble of the Act, reciting that this Province had expressed a desire to be confederated with Canada and New Brunswick, is untrue, and when your Majesty was led to believe that this Province had expressed such a desire, a fraud and imposition were practised upon your Majesty.

That from the time that the scheme of Confederation was first devised in Canada, until it was consummated by the said Act in London, it was systematically kept from the consideration of the people of Nova Scotia at the polls, and the Executive Council and Legislature, in defiance of petitions signed by many thousands of the electors of the Province, persistently and perseveringly prevented the same from being submitted to the people.

That at the recent election the question of Confederation exclusively occupied the attention of the people, who were then for the first time enabled to express their will on a subject of the most vital importance to their happiness, and the result has proved that this Province does not desire to be annexed to Canada, and that the people repudiate the enforced provisions of the British North American Act, which for the reasons set forth in this our humble Address, we believe to be unconstitutional, and in no manner binding on them.

That the Imperial statute passed not only without the consent of the people of Nova Scotia, but against their will, has already, we regret to inform your Majesty, created wide-spread irritation and discontent, and unless the same be repealed, will, we fear, be attended with the most disastrous consequences, as the truly loyal people of this Province are fully conscious of their rights as British, set an inestimable value on their free institutions, and will not consent to the invasion of those rights, or to be subjected to the dominion of any other power than your Majesty, their gracious Sovereign and dearly beloved Queen.

We would humbly submit to your Majesty that the British American Colonies were politically allied to each other by their common relations to your Majesty and your empire, in a more peaceable and less dangerous connection than under any scheme of Colonial Confederation that could be devised, even on the fairest, wisest, and most judicious principles.

We by no means impute to your Majesty or the Imperial Legislature any intentional injustice, as we are well aware that fraud and deception were practised upon your Majesty by those who misrepresented the public sentiment of this Province, and who desired and contrived that Confederation should be forced upon Nova Scotia, without the consent and against the will of the people.

We therefore, as in duty bound, inform your Majesty that the people of this Province not only do not desire, but will never willingly consent, to be in any manner confederated with Canada; and relying most implicitly on your Majesty's exemplary regard for constitutional liberty, well-known love of justice, and the respect which your Majesty has ever manifested for the constitutional rights of your people, we, on behalf of the loyal people of Nova Scotia, most humbly beseech your Majesty to revoke your Royal Proclamation of the 22d day of May last, and to cause the British North American Act to be repealed, as far as it affects the rights and liberty of this ever loyal Province.

(Signed) JOHN J. MARSHALL, Speaker.

Assembly Room, February 22, 1868.

(No. 107.)

Duke of BUCKINGHAM AND CHANDOS to Viscount MONCK.

MY LORD,

Downing Street, 4th June 1868.

* Page 5.

I DULY received the Address to the Queen from the House of Assembly of the Province of Nova Scotia, contained in your lordship's despatch, No. 42,* of the 14th of March, representing that they object to the measure of confederation by which the Province has been joined with Canada and New Brunswick, and praying that, so far as regards Nova Scotia, the Act of the Imperial Parliament effecting the union may be repealed.

I have also had an interview with Mr. Joseph Howe, Mr. William Annand, Mr. Troop, and Mr. Smith, being the deputation who were appointed by the Executive Council of Nova Scotia to visit this country in order to explain and support the representations offered against confederation.

I have the honour to inform you that I have laid the Address of the House of Assembly before the Queen, and that Her Majesty received with much satisfaction the assurances which it contains of their unabated loyalty and attachment to Her person and government. The Queen regrets to learn that any dissatisfaction should have been caused amongst her faithful subjects in Nova Scotia by the measure of Confederation adopted by the Imperial Parliament, and assented to by the Crown, but Her Majesty trusts that the objections which have been expressed may admit of removal.

I can assure your lordship that the subject of the Address has engaged the earnest consideration of Her Majesty's Confidential Advisers. They are well aware that the inhabitants of Nova Scotia have always been distinguished by a sentiment, honourable alike to the Colony and to this country, of attachment to the British Crown and Government, and they are anxious to promote the contentment of a people so justly entitled to consideration. But the magnitude of the interests at stake renders it a duty not to shrink from examining fully the grounds of the complaints which have been adduced; and if it should prove that some of them are mistaken and others removable, I should indulge the hope that a different view of the subject will be ultimately taken.

The leading complaints appear to be reducible to two:—First, that confederation was accomplished without properly consulting the Province; and secondly, that the results may be prejudicial to some of its special interests.

Now as far as regards the second of these topics, Her Majesty's Government feel that they need only draw the attention of yourself and of your Government to the points raised in the Address relative to taxation, the regulation of trade and the fisheries, as they are confident that it will be equally the wish of your Government and of the Parliament of the Dominion to relax or modify any arrangements on those subjects which may prejudice the peculiar interests of Nova Scotia, and of the maritime portion of the Dominion. No doubt can be entertained that the Parliament of the Dominion will be fully alive to both the justice and the expediency of consulting all the various interests of the territory over which its jurisdiction extends.

With respect to the evidences of the opinion of the Province, I observe that Nova Scotia was on several occasions the first of the Provinces to move the project of confederation. In 1854 it was proposed in the Legislature of Nova Scotia. In 1857 it formed one of the topics entrusted to some delegates from the Government of Nova Scotia to Her Majesty's Government. The plan was moved in Canada in 1858, but being subsequently dropped, was revived in Nova Scotia in 1861; and made the subject, in 1862, of a Circular Address from Nova Scotia to all the other Provinces.

In 1864 delegates were appointed by the Government of Nova Scotia to attend the conference at Quebec that framed the scheme on which the Act of Confederation now in force is based. As soon as that scheme was unanimously adopted by the delegates from the several Provinces, the Secretary of State remarked that the project should be submitted to the several Legislatures. Prince Edward Island declined both in 1865 and 1866, and Newfoundland never adopted the proposal. But in 1866 both Houses of the Legislature in Nova Scotia, and both Houses of the Legislature in New Brunswick, passed resolutions (of which copies are annexed to this Despatch) requesting the Governor to name delegates to arrange with the Imperial Government a scheme of union, whilst Canada had previously passed similar resolutions, of which also copies are annexed. Such were the proceedings which attested to the Government of this country, on the highest authority, the wish of the Legislatures in those Provinces.

I am advised that the Act of Confederation was duly and lawfully passed by the Imperial Parliament.

It is objected that no previous appeal was made to the people in the Provinces; but this has not been thought necessary in parallel cases. There was none, for instance, in uniting the two Canadas in 1839, although much difference of opinion existed, and in

Upper Canada much close conflict in the debates. An appeal to the country was proposed in the Assembly of Upper Canada at that time, and rejected by a large majority. The same proposal was made in the late debates on confederation in Canada, New Brunswick, and Nova Scotia, but in all of them was thrown out by a large majority.

NOVA
SCOTIA.

Again, it has been objected that the union was not made subject to legislative ratification by the several Legislatures. But no such course has been followed in the numerous modifications of Colonial constitutions, and in the separations and unions of colonies, which have been effected by Imperial legislation.

It does so happen, however, that after the present measure had been introduced into the Imperial Parliament, and its terms made public, it was cordially approved of by both Houses of the Legislature in Nova Scotia in their Addresses to the Governor at the opening of the session in 1867. And the same took place in New Brunswick, where the session opened after the Imperial measure had become law. Copies of the passages to which I refer are annexed.

The Provincial Governments and Legislatures in the present case, after the terms had been substantially settled, with the knowledge and approval of all, looked to the Imperial Parliament to accomplish their union. This has been done exactly in the manner requested; the neighbouring Province of New Brunswick has entered into the union, in reliance on having with it the sister Province of Nova Scotia, and vast obligations, political and commercial, have been already contracted on the faith of a measure so long discussed and so solemnly adopted.

I should do injustice to the character which Nova Scotia has always conspicuously borne of a faithful member of the general British community, if I did not add as a consideration sure to have weight with it, that the measure is believed by Her Majesty's Government to be not merely conducive to the strength and welfare of the Provinces, but also important to the interests of the whole Empire.

I have already said, that any practical regard which may be due to the special position and interests of the Province will, Her Majesty's Government are confident, be cheerfully given by the Parliament of the Dominion; but after the foregoing explanations, I trust that the Assembly and the people of Nova Scotia will not be surprised that the Queen's Government feel that they would not be warranted in advising the reversal of a great measure of State, attended by so many extensive consequences already in operation, and adopted with the previous sanction of every one of the Legislatures concerned, and with the subsequent approval of the Legislatures of Nova Scotia and New Brunswick.

I have, &c.

(Signed) BUCKINGHAM AND CHANDOS.

The Right Hon. Viscount Monck,
&c. &c. &c.

Enclosure in No. 4.

Enc. in No. 4.

COPIES of ADDRESSES and RESOLUTIONS prior to the introduction of the Imperial Act for the UNION of the PROVINCES.

CANADA.

Address of the Legislative Council to the Queen, adopted 20th February 1865, and the same Address adopted by the Assembly on the 13th of March 1865.

Parliamentary
Paper, Fe-
bruary 8, 1867,
page 10.

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Legislative Council of Canada, in Provincial Parliament assembled, humbly approach Your Majesty, for the purpose of praying that Your Majesty may be graciously pleased to cause a measure to be submitted to the Imperial Parliament for the purpose of uniting the Colonies of Canada, Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island in one Government, with provisions based on the following Resolutions, which were adopted at a Conference of Delegates from the said Colonies held at the City of Quebec, on the 10th of October 1864.

NEW BRUNSWICK.

Address of the Legislative Council to the Queen.

Ibid., page 105.

Most Gracious Sovereign,

We, Your Majesty's faithful and loyal subjects, the Legislative Council of New Brunswick, in Provincial Parliament assembled, humbly approach Your Majesty with the conviction that a union of all Your Majesty's British North American Colonies, based on the Resolutions adopted at the Conference of Delegates from these several Colonies, held at Quebec on the 10th day of October 1864, is an object highly to be desired, essential to their future prosperity and influence, and calculated alike to strengthen and perpetuate the ties which bind them to Your Gracious Majesty's Throne and Government, and humbly pray that Your Majesty may be pleased to cause a measure to be submitted to

NOVA SCOTIA, the Imperial Parliament for the purpose of thus uniting the Colonies of Canada, Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island in one Government.
(Signed) JOHN SAUNDERS,
Acting President of the Legislative Council.

Resolution of the Assembly 30th June 1866.

Parliamentary Paper, February 8, 1867, page 112.

Resolved—That an humble Address be presented to his Excellency the Lieutenant-Governor, praying that his Excellency will be pleased to appoint Delegates to unite with Delegates from the other Provinces in arranging with the Imperial Government for the Union of British North America, upon such terms as will secure the just rights and interests of New Brunswick, accompanied with provision for the immediate construction of the intercolonial railway; each Province to have an equal voice in such delegation; Upper and Lower Canada to be considered as separate Provinces.

NOVA SCOTIA.

Resolution adopted by the Legislative Council and the Assembly in April 1866.

Ibid., page 61.

Whereas in the opinion of this House it is desirable that a Confederation of the British North American Provinces should take place.
Resolved, therefore,—That his Excellency the Lieutenant-Governor be authorized to appoint Delegates to arrange with the Imperial Government a scheme of union which will effectually insure just provision for the rights and interests of this Province; each Province to have an equal voice in such delegation; Upper and Lower Canada being, for this purpose, considered as separate Provinces.

Journals of the respective Houses in each Province.

EXTRACT OF ADDRESSES SUBSEQUENT TO THE INTRODUCTION OF THE IMPERIAL MEASURE.

NOVA SCOTIA.

Extract of Address of Legislative Council to the Governor on opening of the Session, dated 16th March 1867.

The success which has attended the Delegates sent by your Excellency to confer with Her Majesty's Government on the union of the North American Provinces is gratifying to the Legislative Council, and we concur with your Excellency in the belief that the union of Canada, New Brunswick, and Nova Scotia, upon the terms contained in the Bill submitted by Her Majesty's Government to the Imperial Parliament will tend to increase their prosperity, and contribute to the strength and stability of those British institutions which we prize so highly.

Extract of Address of Assembly to the Governor, dated 16th March 1867.

We have learned with deep satisfaction that the efforts to affect a satisfactory union of the British North American Colonies have been so successful, and we entertain no doubt that the best interests of all these Provinces will be greatly enhanced, and their connection with the Crown and the parent state permanently secured thereby.

NEW BRUNSWICK.

Extract of Address of Legislative Council, dated May 11th, 1867.

We rejoice to hear of the success which has attended the labours of the Delegates appointed to proceed to England to unite with Delegates from Canada and Nova Scotia, in arranging with the Imperial Government for the Union of British North America, and we thank your Excellency for directing the papers connected with the subject to be laid before us.

We are well assured that the people of this Province will cordially unite in giving effect to the provisions of the Act of Union, and we are confident that it will be productive of lasting benefit to New Brunswick.

Extract of Address of Assembly, dated 11th May 1867.

We are pleased to learn that the Delegates appointed to proceed to England to unite with the Delegates from Canada and Nova Scotia in arranging with the Imperial Government for the union of British North America have successfully accomplished that object; and we thank your Excellency for the assurance that the papers relating thereto will be laid before us.

We feel confident that Her Majesty's loyal subjects in New Brunswick will cheerfully unite in giving effect to the provisions of the Act for the union of Canada, Nova Scotia, and New Brunswick, and that, under Providence, it will be productive of lasting benefit to this Province.

LONDON:
Printed by GEORGE E. EYRE and WILLIAM SPOTTISWOODE,
Printers to the Queen's most Excellent Majesty.
For Her Majesty's Stationery Office,

POST OFFICE (MAIL SERVICE).

RETURN to an Order of the Honourable the House of Commons,
dated 16 February 1869;—for,

COPY “of CONTRACT for MAIL SERVICE, between *Halifax, Nova Scotia*, and
St. John's, Newfoundland; together with Copy of the TREASURY MINUTE
relating thereto.”

Treasury Chambers, }
16 February 1869. }

ACTON S. AYRTON.

COPY of TREASURY MINUTE, dated 14th December 1868.

MY LORDS have before them the Articles of Agreement entered into between the Government of Newfoundland and Mr. Inman, for the conveyance of Mails between the Port of Halifax, Nova Scotia, and the Port of St. John's, Newfoundland, once each way in every four weeks during the months of January, February, and March, and once each way every two weeks during the remaining nine months in each year, for a subsidy of 9,000*l.* a year. The agreement to commence as from the 15th July 1868, and to continue in force until the expiration of a written notice of not less than 12 calendar months given at any time on or after the 1st day of July 1870, by either the Governor of Newfoundland or the Contractors.

As one half of the subsidy payable to the contractors in this case will have to be repaid by the Imperial Post Office, it appears to My Lords that although the agreement with the contractors does not strictly come within the provisions of the Resolution of the House of Commons, of 24th July 1860, in regard to Packet and Telegraphic Contracts, inasmuch as it is not a contract entered into by the Home Government, yet as the contract raises a charge on the Public Revenue for a period of years, it will be advisable that it should be brought under the cognizance of the House.

Let a copy of the Agreement entered into between the Government of Newfoundland and Mr. Inman for the conveyance of Mails between that Colony and the Colony of Nova Scotia, together with a copy of the foregoing Minute, be laid upon the Table of the House of Commons.

COPY of CONTRACT for MAIL SERVICE between *Halifax, Nova Scotia, and
St. John's, Newfoundland.*

ARTICLES OF AGREEMENT made the 2nd day of October 1868, between Anthony Musgrove, Esquire, Her Majesty's Governor of Newfoundland for the time being, of the first part; William Inman, of Liverpool, in the county of Lancaster, England, shipowner (which William Inman and his executors or administrators are hereinafter described as the Contractors), of the second part; and Thomas Langton Birley, of Carr Hill, Kirkham, in the county of Lancaster, Esquire, and Charles Inman, of Liverpool, aforesaid, Esquire, of the third part; Witness that the said William Inman, for himself, his heirs, executors, and administrators, doth hereby covenant with the Governor of Newfoundland, his executors, administrators, successors, and assigns, Her Majesty's Governor of Newfoundland for the time being, in manner following, that is to say:—

1. The contractors will faithfully convey, or cause to be conveyed, by a good and sufficient steam vessel or steam vessels, of not less than 350 tons builders' measurement, provided with a screw propeller, and with engines of not less than 80-horse power, all Her Majesty's Mails (which designation shall, for the purposes of this contract, be considered as including all bags, boxes, or packets of letters, newspapers, books, or printed papers, and all other articles transmissible by post, without regard either to the place to which they may be addressed, or to that in which they may have originated), also all empty bags, empty boxes, and other stores and articles used or to be used in carrying on the Post Office service, which shall be sent by, or to or from the Post Office, which the Governor of Newfoundland, or any of his officers or agents shall require to be conveyed during the continuance of this contract between the port of Halifax, Nova Scotia, and the port of St. John's, Newfoundland, once each way in every four weeks during the months of January, February, and March, and once each way every two weeks during the remaining nine months in each year, making in all 23 round voyages in each year; but otherwise upon such days, and at such hours as the Governor of Newfoundland shall in writing appoint (provided that such days and hours shall be so appointed as will conveniently admit of the whole service, both ways, being performed by one vessel), and shall and will, at their own costs and charges duly receive and safely deliver such Her Majesty's Mails at Halifax and St. John's respectively.

2. The contractors will, on the 15th day of July 1868, provide at the port of Liverpool, a good and sufficient steam vessel in all respects ready for sea, for conveyance of Her Majesty's Mails from Liverpool to St. John's, and such vessel shall, immediately after Her Majesty's Mails are put on board, proceed without loss of time direct to St. John's, and will, after the arrival of the said vessel at St. John's, on such days and hours as aforesaid, during the continuance of this contract, provide at the said ports of St. John's and Halifax alternately, a good and sufficient steam vessel in every respect ready for sea, for the conveyance of the said Mails between the last-mentioned ports; and such vessel shall, immediately after Her Majesty's Mails are put on board, proceed without loss of time from such one of the said ports as shall for the time being be the port of departure to the other of the said ports; and every such voyage shall be completed within the period of 72 hours; and upon the arrival of such vessel at St. John's aforesaid, it shall remain there for a space of not less than 72 hours before sailing again.

3. The vessel or vessels to be used under this contract, between the 15th day of January and the 15th day of April in every year, shall be substantially built of wood only, or shall be built of the like materials as the materials employed in building vessels belonging to the Hudson's Bay Company, being suitable for winter service.

4. Whenever the port of St. John's shall be found to be inaccessible on account of ice, Her Majesty's Mails shall be landed or embarked (as the case may be) at such port on the South West Coast of Newfoundland as shall be
the

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the nearest port to the said port of St. John's which shall be accessible, and shall be conveyed between such port and the said port of St. John's by land, by and at the expense of the contractors.

5. If the contractors fail to provide an efficient vessel at Halifax or St. John's aforesaid, ready to put to sea at the times so to be fixed as aforesaid, under this contract, then, and so often as the same shall happen, the contractors shall forfeit and pay unto Her Majesty, her heirs and successors, the sum of 500 *l.*; and the contractors shall also, in like manner, forfeit and pay the further sum of 100 *l.* for every day after the first day during which they shall fail to provide such vessel in manner aforesaid; but so, nevertheless, that the aggregate amount of such penalties in respect of any one voyage shall not exceed the amount of such part of the subsidy as shall be the proportionate part applicable to such voyage.

6. If the duration of any voyage made in pursuance of this Agreement shall exceed the time hereinbefore provided in that behalf by a period equal to or exceeding 12 hours, then and so often as the same shall happen, the contractors shall forfeit and pay in like manner a further and additional sum of 30 *l.* for each complete period of 12 hours by which such voyage shall exceed the time so provided, but so that the aggregate amount of such last-mentioned additional penalties in respect of any one voyage, shall not exceed the amount of such part of the subsidy as shall be the proportionate part applicable to such voyage.

7. The payment by the contractors of any sums of money by way of penalties, shall not in any manner prejudice the right of the Governor of Newfoundland to treat the failure, if any, on the part of the contractors to provide a proper vessel at the appointed time, or to perform any voyage at or within the times hereinbefore in that behalf mentioned, as a breach of this Agreement.

8. The vessel or vessels to be employed under this Agreement shall always have comfortable accommodation for passengers and be furnished with all necessary and proper machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, tallow, provisions, anchors, cables, fire-pumps and other proper means for extinguishing fire, lightning conductors, charts, chronometers, proper nautical instruments, and whatsoever else may be requisite for equipping the said vessel or vessels, and rendering it or them constantly efficient for the service hereby agreed to be performed; and also manned and provided with competent officers with appropriate certificates granted pursuant to the Act or Acts of Parliament in force for the time being relative to the granting certificates of officers in the merchant service, and with a sufficient number of efficient engineers, and a sufficient crew of able seamen and other men; and the Governor of Newfoundland for the time being shall have authority and liberty, whenever he may deem it requisite, to cause a survey to be made by any competent person or persons of any of the said vessels, and the hulls, machinery, and equipments thereof, upon giving notice, in writing, to the commander for the time being of the vessel about to be examined of such his intention, so as to be satisfied that such vessel is in all respects capable and fitted for the service to be performed under this contract.

9. The Governor of Newfoundland shall, subject to the provisions contained in Clause 1 of this Agreement, have power from time to time to alter the days and hours of departure from each port so to be appointed by him as aforesaid, upon giving three months' written notice to the contractors; and shall also have power by a written order delivered to the master or commander of any vessel employed by the contractors under this contract, to delay the departure of such vessel from either port for any period not exceeding 24 hours.

10. A separate and secure place, of sufficient size protected from leakage, and under lock and key, shall be provided in such steam vessel or vessels for the deposit and safe custody of Her Majesty's Mails, and the place so provided shall be subject to the approval of the Governor of Newfoundland for the time being, or of such person as he shall appoint to inspect and approve the same, and the masters or commanders of such vessel or vessels, shall take due care of, and the contractors shall be responsible for the receipt and delivery of the said mails, and each of such masters or commanders shall make the usual declaration or declarations required, or which may hereafter be required by the Governor

of Newfoundland in such and similar cases, and furnish such journal returns and information to, and perform such services as the Governor of Newfoundland or his agents may require; and every such master, or commander, or officer duly authorised by him, having the charge of mails, shall immediately, on the arrival at Halifax or St. John's of such vessel or vessels respectively, deliver all mails into the hands of the Postmaster or such other person, at such places respectively, as the Governor of Newfoundland shall appoint to receive the same.

11. In the event of any steam vessel being lost or destroyed by fire, tempest, or any other casualty, or requiring repair during the continuance of this contract, the contractors shall provide without any unnecessary delay and within such reasonable time as may be required by the Governor of Newfoundland, another good and sufficient steam vessel, and shall convey Her Majesty's Mails in the meantime in a good and sufficient sailing vessel or vessels to be provided by them, to be approved of by the Governor of Newfoundland; but such sailing vessel or vessels shall not be bound to complete the said voyages in a more limited period than the usual and average period which sailing vessels occupy in making similar voyages at the season of the year at which the said voyages respectively shall take place.

12. The contractors and all commanding and other officers of the vessel or vessels which may be employed in the performance of this contract, and all agents, seamen, and servants of the contractors shall at all times during the continuance of this contract punctually attend to the orders and directions of the Governor of Newfoundland, as to the mode, time and place of embarking and disembarking mails.

13. The contractors shall not receive, or take or permit, or suffer to be received or taken on board such vessel or vessels, any letters for conveyance other than such as shall be contained in Her Majesty's Mails, save and except such letters as are not by law required to pass through the post office, nor any mails for conveyance on behalf of any colony or foreign country, without the consent of the Governor of Newfoundland, and the whole postage of every mail shall under all circumstances be at his disposal; and in case of any such default respectively, the contractors shall be liable to be proceeded against for a breach of this Agreement.

14. The contractors shall not convey in the vessel or vessels employed under this Agreement any nitro-glycerine or any other article which shall have been legally declared specially dangerous.

15. If on the determination of this Agreement any vessel or vessels shall have started, or shall start, or ought to have started with the mails, in conformity with this Agreement, such voyage or voyages shall be continued and performed, and the mails be delivered and received during the same, as if this Agreement had remained in force with regard to any such vessel or vessels and services; and with respect to such vessel or vessels and services, as last aforesaid, this Agreement shall be considered as having terminated when such vessel or vessels shall have reached the port or place of destination.

16. The Governor of Newfoundland is hereby authorised to delegate any of his powers under this Agreement to such persons as he may deem fit to exercise them.

17. The contractors, when so required, shall be bound to convey from any one port of departure or call to any other such port any number of Government passengers not exceeding two of the first class with their wives, children, and servants; two of the second class with their wives and children, and eight of the third class; such passengers, with their families, to be treated in no respect, whether as regards food, cabin, or other accommodation, or aught else, in a way inferior to that of ordinary passengers of the same class, or that required by the Regulations of Her Majesty's Transport Service. The messing of the first and second class Government passengers to include each day an imperial pint of good sound bottled or draught ale or beer; and, that of the first class, in addition, an imperial pint of good foreign wine, either port or white. The several classes of passengers to mess in separate places. Medical attendance,

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attendance, medicine, and medical comforts, to be provided, as also, mess utensils and fittings, cooking utensils, articles for table use, and mess places, fuel, lights, requisite articles of bedding, and all other necessities. Third class passengers to have hammocks or bunks (subject to the approval of such persons as the Governor of Newfoundland may appoint to approve the same) placed between decks.

18. The passage money for Government passengers or their families to be the same as that charged by the contractors for ordinary passengers of a similar kind, and to include all the requisites specified in the 17th clause of this Agreement, and the freight of baggage according to Government scale, as shown in the Regulations of Her Majesty's Transport Service. Whenever any alterations of rates for ordinary passengers shall be made, the contractors shall immediately apprise the Governor of Newfoundland and the Lords Commissioners of the Admiralty of such alterations.

19. Returns of the embarkation and disembarkation of all Government passengers shall be furnished by the contractors to the Director of Transport Services, immediately after each departure and arrival of the said vessel or vessels.

20. The contractors shall apply for the payments for the passage money of Government passengers by invoices, according to a form to be obtained from the office of the Director of Transport Services for Newfoundland; and such payments shall be made upon the production to the said Director of the orders for the passages, together with a certificate under the hand of the commanding officer of the said vessel, specifying the number of the third class passengers (men, women, and children) conveyed, with the ages and sexes of the latter, and stating the periods during which these have been regularly supplied while on board with provisions; and also a certificate under the hand of each first and second class passenger of his or her having been landed at the place of destination; and of having been properly accommodated and messed during the voyage, and specifying the dates from and to which they were so messed, computed from the first to the last dinner meal; save that the contractors shall not forfeit the passage money of any such passenger who shall improperly or unreasonably refuse to give such certificate.

21. The passage money for the wives and families of commissioned and civil officers, when not ordered to be conveyed at the public expense, shall be paid to the contractors by the officers themselves, and in such case the accommodation to be furnished to them shall not be regulated by the provisions of this contract.

22. In all cases where an officer in the civil, naval, or military service of Her Majesty, who may not be entitled to a passage at the public expense, shall require a passage on board any of the vessels employed in the performance of this contract, the contractors shall be bound, when they have room, to provide such passage for such officers in preference to ordinary passengers, and to charge no higher rate for such passage than is chargeable for ordinary passengers; Provided that the contractors shall not be bound, for the purposes aforesaid, to commit any breach of contract entered into with ordinary passengers before such officers shall have engaged their passage; and the accommodation to be furnished to such officers shall not otherwise than as aforesaid be regulated by the provisions of this contract.

23. The contractors shall receive on board each of the vessels employed in the performance of this contract, and shall convey on behalf of the Admiralty, any small packages which may be ordered for conveyance; and also (on receiving from the Governor of Newfoundland, or his officers or agents, or from the British naval officer in command of the station, two days' previous notice,) shall receive on board any naval or other stores not exceeding five tons weight at any one time in any one vessel, and shall convey and deliver such small packages and stores at the lowest rate of freight charged by the contractors for private goods; immediate notice being given to the Governor of Newfoundland and the Lords Commissioners of the Admiralty, of any alteration in such rate of freight; and the contractors shall in all cases be

responsible for the custody and safe and speedy delivery of the packages and stores.

24. Except where otherwise specified, none of the duties hereinbefore provided to be performed by the contractors, shall give them any claim to remuneration beyond the general subsidy.

25. All and every the sum of money hereby stipulated to be paid by the contractors unto Her Majesty, her heirs and successors, shall be considered as stipulated or ascertained damages, whether any damage has or has not been sustained by reason of the breach for which the penalty may be levied; and the amount may be deducted by the Governor of Newfoundland out of any moneys payable, or which may thereafter become payable to the contractors, or, at his discretion, the payment thereof may be enforced with full costs of suit.

26. This Agreement shall commence as from the 15th day of July 1868, and shall continue in force until the expiration of a written notice of not less than twelve calendar months, given at any time on or after the 1st day of July 1870, and by either the Governor of Newfoundland or the contractors.

27. And in consideration of the due and faithful performance by the contractors of all the services hereby contracted to be by them performed, the Governor of Newfoundland doth hereby covenant that there shall be paid to the contractors, so long as they perform the whole of the said services in the manner and with such vessel or vessels as are herein respectively provided, at the rate of the sum of 9,000 *l.* per annum, payable quarterly at the office of the Receiver General at St. John's aforesaid, on the 1st days of January, March, July, and October, in every year; the first of such payments to be made on the 1st day of October 1868.

28. All notices or directions which the Governor of Newfoundland, his officers, agents, or others, are hereby authorised to give to the contractors, their officers, servants, or agents, other than any notice of termination of this contract, may at the option of the Postmaster General, his officers, agents, or others, either be delivered to the master of the said vessel or vessels respectively, or any other officer or agent of the contractors in the charge or management of any vessel employed in the performance of this agreement, or left for the contractors at their office or last known office in Liverpool; and any notices or directions so given or left shall be binding on the contractors: Provided always, that any notice of termination of this contract shall be served on the contractors, their officers, servants, or agents, at their office or last known office in Liverpool.

29. The contractors shall not assign, underlet, or otherwise part with or dispose of this Agreement or any part thereof without the consent of the Governor of Newfoundland, in writing, for that purpose.

30. In case of the breach of the 29th clause of this contract, or in case of a great or habitual breach of the contract of any other kind, the Governor of Newfoundland shall have power, and that without previous notice, to terminate the contract; and the contractors shall not be entitled to any compensation by reason of such breach or any prior breach of this Agreement, nor shall such termination of the contract interfere with the completion of any voyage which may have been commenced at the time of such determination.

31. If at any time during the continuance of this Agreement, or after the determination thereof, any dispute shall arise between the parties hereto, or their executors, administrators, or successors respectively, concerning any breach or alleged breach by or on the part of the contractors of this Agreement, or the sufficiency of any such breach, to justify the Governor of Newfoundland in putting an end to the same, or concerning any of the covenants, matters, or things herein contained, or in anywise relating thereto, and notwithstanding the power herein contained to determine this Agreement, and any execution or attempted execution of such power, such dispute shall be referred to two arbitrators, one to be chosen from time to time by the Governor of Newfoundland, and the other by the contractors; and if such arbitrators should at any time or times not agree in the matter or question referred to them; then
such

HALIFAX, NOVA SCOTIA, AND ST. JOHN'S, NEWFOUNDLAND. 7

such question in difference shall be referred by them to an umpire, to be chosen by such arbitrators before they proceed with the reference to them, and the joint and concurrent award of the said arbitrators, or the separate award of the said umpire when the said arbitrators cannot agree, shall be binding and conclusive upon both parties. And this Agreement may be made a rule of court by either of the said parties hereto.

32. And lastly, for the due and faithful performance of all and singular the covenants, conditions, provisoes, clauses, articles, and agreements, hereinbefore contained, which, on the part and behalf of the contractors, are or ought to be observed, performed, fulfilled, and kept, the said William Inman, Thomas Langton Birley, and Charles Inman, do hereby bind themselves, their heirs, executors, and administrators, and each of them doth hereby bind himself, his heirs, executors, and administrators, unto our Sovereign Lady the Queen, in the sum of 3,000 l. of lawful money of the United Kingdom, to be paid to our said Lady the Queen, her heirs and successors, by way of stipulated or ascertained damages, hereby agreed upon between the Governor of Newfoundland and the said William Inman, Thomas Langton Birley, and Charles Inman, in case of the failure on the part of the contractors in the due execution of this Agreement or any part thereof. In witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.

Signed, sealed, and delivered by the said
William Inman, Thomas Langton Birley,
and Charles Inman, in the presence of

J. E. Gray Hill,
Solicitor,
10, Water-street, Liverpool,

WILLIAM INMAN.



T. LANGTON BIRLEY.



CHARLES INMAN.



POST OFFICE (MAIL SERVICE).

COPY of CONTRACT for MAIL SERVICE between
Halifax, Nova Scotia, and St. John's, New-
foundland; together with Copy of the
TREASURY MINUTE relating thereto.

(*Mr. Ayrton.*)

Ordered, by The House of Commons, to be Printed,
23 February 1869.

36.

Under 1 oz.

CANADA (DOCKYARD ARTIZANS)

RETURN to an Address of the Honourable The House of Commons,
dated 29th April 1869;—for,

“COPY of any OFFICIAL COMMUNICATION from the Government of the Dominion of *Canada* respecting the Prospects, on Arrival at *Quebec*, of the ARTIZANS and LABOURERS who were last Year Discharged from the ROYAL DOCKYARDS and ORDNANCE FACTORIES, and who are now proceeding to *Quebec* in the ‘Crocodile’ and ‘Serapis.’”

Colonial Office, }
May 1869. }

W. MONSELL.

(*Mr. Kinnaird.*)

Ordered, by The House of Commons, to be Printed,
7 May 1869.

LIST OF PAPERS.

Number in Series.	From whom.	Number and Date.	Page.
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2	Earl Granville to Lieutenant Governor of New Brunswick.	8 April 1869 (Telegram)	3
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4	Lieutenant Governor of New Brunswick to Earl Granville.	10 April 1869 (Telegram)	3
5	Sir John Young to Earl Granville - - -	8 April 1869 (No. 36) -	4
6	Earl Granville to Sir John Young - - -	10 April 1869 (No. 63) -	4
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COPY of OFFICIAL COMMUNICATIONS from the Government of the Dominion of *Canada* respecting the Prospects, on Arrival at *Quebec*, of the ARTIZANS and LABOURERS who were last Year Discharged from the ROYAL DOCKYARDS and ORDNANCE FACTORIES, and who are now proceeding to *Quebec* in the "Crocodile" and "Serapis."

— No. 1. —

TELEGRAM.

Earl *Granville* to Sir *John Young*.

ADMIRALTY consent to take to Canada some hundreds of artizans discharged last year from Government dockyards with their families. Will officers of Government receive them, and give same facilities as to other immigrants. All selected with a view to character. Answer immediately.

7 April 1869.

— No. 2. —

TELEGRAM.

Lord *Granville* to Lieutenant Governor of New Brunswick, Fredericton,

8 April 1869.

It is said that employment on railways or otherwise might be found in New Brunswick for some hundreds of persons who have hitherto been dockyard artizans, if sent out at once. Is this true?

— No. 3. —

TELEGRAM.

Sir *John Young* to Lord *Granville*, Colonial Office, London.

8 April 1869.

CANADIAN Government will be happy to receive dockyard emigrants, giving same facilities as to others, but to prevent disappointment it will be better to await explanatory letter from me before finally deciding.

— No. 4. —

TELEGRAM.

Lieutenant Governor *Wilmot*, Fredericton, to Lord *Granville*, London.

10 April 1869.

SOME hundreds of artizans not in iron and railway labourers wanted for railways, and can be absorbed.

— No. 5. —

(No. 36.)

Governor the Right Hon. Sir *John Young*, Bart., to the Earl *Granville*, K.G.Government House, Ottawa,
8 April 1869.

(Received, 23 April 1869.)

My Lord,

I SENT a message this morning, by the cable, in answer to your telegraphic inquiry of yesterday. It stated that the Government of the Dominion would gladly give the same facilities to the immigrants, proposed to be sent out by the Admiralty, as to others arriving in Canada.

It is desirable, however, that no undue expectations should be raised as to the extent of those facilities.

There is an emigrant tax imposed by law for the support of emigrant hospitals, and the protection of the emigrant himself and his family. This, probably, Parliament would allow the Ministers to give up in the present case.

An application to that effect will be duly submitted for Parliamentary sanction.

The Government agent will meet the ships at Quebec, and give the best advice and assistance as to destination and the most available fields of labour. This is about all that the Dominion Government can do.

The Government of the Province of Ontario make free grants of land in some districts, but such grants will, I fancy, be of little value to artisans who want immediate employment as such.

In the spring the men will, probably, find employment on the Intercolonial Railway, until they can get engagements in their several trades.

I have, &c.
(signed) *John Young*.

— No. 6. —

(No. 63.)

The Earl *Granville*, K.G., to the Right Honourable Sir *J. Young*, Bart.

Sir,

Downing-street, 10 April 1869.

I ENCLOSE the copy of a letter which I have received from the Emigration Commissioners, on a matter which formed the subject of my telegram of 8th instant.

It appears improbable, on inquiry, that anything like the expected number of emigrants will be sent out. Probably not more than three or four hundred souls will accept the offer made them.

It is also at present intended to send these people, not on the 20th instant, but by a ship which will leave a few days later, after I shall have received from you the explanation which you promise in your telegraphic despatch.

The immediate return of the ships being absolutely necessary, I need hardly urge on you the expediency of taking steps to secure the prompt disembarkation of the emigrants.

I shall keep you informed of the numbers and occupations of the probable emigrants, in order that you may have every facility which I can give you for ensuring their speedy employment after their arrival.

I have, &c.
(signed) *Granville*.

5 April 1869.

DOCKYARD ARTIZANS, &c. ON ARRIVAL AT QUEBEC. 5

Enclosures in No. 6.

Sir,

Emigration Board, 5 April 1869.

I HAVE the honour to enclose herewith, for Earl Granville's information, the copy of a letter we have received from the Admiralty, stating that the Lords Commissioners have consented to sanction the conveyance to Quebec, in transports going there on public service, of 1,000 or 1,500 of the artizans recently discharged from Her Majesty's Dockyards. Their Lordships accordingly request us to enter into communication with Sir S. Robinson and Admiral Mends, with a view to make the best arrangements for the conveyance of the people.

We have lost no time in communicating with Sir S. Robinson and Admiral Mends, and we learn from the latter that two of the transports, which it is hoped will be sufficient to carry the whole number of people, will be dispatched from Portsmouth on the 20th instant. We have not yet received from Sir S. Robinson the list of the persons whom it is proposed to send, but we would submit that the Government of Canada should be at once apprised of the intention to send these people, and that they should be requested to give the necessary instructions to the emigration agent at Quebec for receiving them, and forwarding them to the places where their labour may be most in demand.

2 April.

Sir Frederic Rogers, Bart.
&c. &c. &c.

I have, &c.
(signed) T. W. C. Murdoch.

W. G. Romaine, Esq., C.B., to Mr. Walcott.

Gentlemen,

Admiralty, 2 April 1869.

I AM commanded by my Lords Commissioners of the Admiralty to acquaint you that, having been in communication with the Board of Treasury on the subject of the distress which prevails at the dockyard towns, partly occasioned by the large discharge of artizans from the dockyards during the summer of 1868, my Lords have received a letter from that Board, concurring in a proposed arrangement for conveying to Quebec, in three of Her Majesty's transport ships (which were to have proceeded there empty), during the approaching spring, from 1,000 to 1,500 statute adults selected from the discharged workmen.

The Treasury having also approved of this service being conducted in concert with you, my Lords request you will be good enough to put yourselves in communication with Vice Admiral Sir R. S. Robinson, the Controller of the Navy, who superintends the dockyards, and with Rear Admiral Mends, the Director of Transports, with a view to the best arrangements being made for the selection and conveyance of these people.

My Lords desire me to add, that the Treasury have informed them that they will be prepared to provide in the Civil Estimates for any expenditure in connection with this service which it may be found necessary to incur.

My Lords, however, hope that this will not be considerable, especially as the sum of 1,000*l.* will be placed at their disposal from another source for this emigration.

The Commissioners,
Colonial Land and Emigration Office.

I am, &c.
(signed) W. G. Romaine.

— No. 7. —

Lieutenant Governor Wilmot to the Earl Granville, K.G.

Government House, New Brunswick,
13 April 1869.

(Received, 29 April 1869.)

My Lord,

I HAD the honour to receive a telegram from your Lordship on the 8th inst., and after consultation with my Council, forwarded the answer, which you have no doubt received.

During the next summer there will be several hundreds of miles of the Intercolonial Railway in process of building in this Province between the Nova Scotia line and the river Metapedia.

There are some districts of ungranted lands along that line of very superior quality, and which may be had by such of the artizans and labourers on the railway as may wish to settle, upon terms almost amounting to a gift. Lots of 50 acres each may be had for actual settlement, upon the grantee working for
196. five

five days in each of three successive years upon the roads leading thereto, or upon payment of 10 dollars, equal to about two guineas sterling; or lots of 100 acres each may be had for double the above amount of road work or money; so that putting the day's work on the railway at the probable value of one dollar, 10 days will pay for 50 acres, 20 days for 100 acres; and when the settler has cleared and prepared for crop a couple of acres and erected a comfortable log house, he may, with industry and sobriety, succeed in establishing for himself and family a comfortable home, as thousands have done in this Province hitherto.

Some of our best wheat-producing lands lie along the Bay Chaleur in the vicinity of the Intercolonial Railway, while the bay itself abounds with fish.

Parties desirous of emigrating may come to St. John from Liverpool by steam or sailing vessels, and be forwarded thence by railway and steamers to any parts along the line where their services may be required, or they may come out by sailing vessels, to Richibucto, Miramichi, or Dalhousie, at low rates.

The Intercolonial Railway, when opened, will secure to the north-shore settlers a good market for all their surplus produce, and will therefore lead to very extensive cultivation in a part of the Province which has hitherto made but little progress in agriculture.

Wheat, oats, barley, peas, turnips, potatoes, carrots, and other field crops may be grown throughout the whole district; and I know of no other part of the province which holds out a better promise for industrious settlers.

The privileges with respect to grants of land above mentioned are not confined to those who may work upon the railway, but are extended to all persons desirous of settling in the Province.

The Earl Granville, K.G.
&c. &c. &c.

I have, &c.
(signed) S. A. Wilmot,
Lieutenant Governor,
New Brunswick.

— No. 8. —

(No. 69.)

The Earl Granville, K.G., to the Right Honourable Sir John Young, Bart.

Sir, Downing-street, 15 April 1869.

* Page 4.

WITH reference to my Despatch (No. 63*) of the 10th instant, I have the honour to inform you that one of the ships in which it is intended that emigrants shall be embarked for Quebec is appointed to sail on the 20th instant, and that the other will probably leave for its destination about the 27th instant.

I have, &c.
(signed) Granville.

— No. 9. —

(No. 38.)

Right Hon. Sir John Young, Bart., to the Right Hon. the Secretary of State for the Colonies.

Government House, Ottawa,
15 April 1869.
(Received, 29 April 1869.)

My Lord,

* Page 4.

WITH reference to the telegram and Despatch (No. 36*) which I had the honour of sending your Lordship on the 8th instant, I beg to state that I transmitted copies of both those communications to the Lieutenant Governor of the province of Ontario, with the inquiry as to what assistance the Government

DOCKYARD ARTIZANS, &c. ON ARRIVAL AT QUEBEC

7

ment authorities would afford the emigrants who have been employed in the dockyards and their families. In reply, I have received the answer from the Lieutenant Governor, which I enclose. Your Lordship will perceive that the Lieutenant Governor has no doubt that employment can be found in various parts of the Province for any number of skilled workmen who may be brought to these shores by action of the Imperial Government.

I have, &c.
(signed) *John Young.*

Toronto,
13 April 1869.

Enclosure in No. 9.

The Lieutenant Governor of Ontario, to the Governor General.

Sir,

Toronto, 13 April 1869.

I BEG to acknowledge the receipt of copies of cable telegrams, and of a letter from your Excellency to the Colonial Secretary, dated the 8th instant, and having reference to the reception in Canada of artizans discharged from the dockyards in England.

Upon receipt of the papers in question, I lost no time in bringing the matter before the members of my Cabinet.

The subject is one which has recently received much consideration at our hands, and I have this day confirmed the appointment of a special commissioner of emigration, who will at once proceed to England to fulfil his instructions relative to the promulgation there of such intelligence respecting this Province as will be of use to intending emigrants and to societies formed for the purpose of assisting them.

Mr. White, the gentleman appointed, is in every way qualified for the discharge of the task allotted to him. A long connection with the press and a considerable experience in public speaking will be of great service to him in communicating the fund of general information which he possesses respecting the resources of this Province.

The Government of Ontario cordially concurs in the views enunciated in the telegram and letter addressed by your Excellency to the Colonial Secretary, not dissenting from the suggestion that free grants of land may not be what will at first best satisfy the wants of the artizans only newly arrived.

I should, at the same time, observe that with a view of doing everything in its power subsidiary to the efforts now being made in England to further the cause of emigration, the Government of this Province has addressed a circular to the municipal council of every city, town, township, and village in Ontario, asking for a return of the probable number of labourers and mechanics which could be absorbed by each, the several trades and occupations to be specified.

When this information has been obtained, it will be placed in the hands of the agent who may be appointed to superintend the disembarkation of emigrants, and I have no doubt that in this Province alone employment can be found for any reasonable number of skilled workmen who may be brought to these shores by the action of the Imperial Government, which is the subject of the correspondence forwarded to me by your Excellency.

I have, &c.
(signed) *W. P. Howland.*

His Excellency Sir John Young, Bart.,
&c. &c. &c.
Ottawa.

CANADA (DOCKYARD ARTIZANS).

COPY of OFFICIAL COMMUNICATIONS from the Government of the Dominion of *Canada* respecting the Prospects, on Arrival at *Quebec*, of the ARTIZANS and LABOURERS who were last Year Discharged from the ROYAL DOCKYARDS and ORDNANCE FACTORIES, and who are now proceeding to *Quebec* in the "Crocodile" and "Serapis."

(*Mr. Kinaird.*)

Ordered, by The House of Commons, to be Printed,
7 May 1867.

196.

Under 1 oz.

DOCKYARD EMIGRANTS TO CANADA.

RETURN to an Order of the Honourable The House of Commons,
dated 26 July 1869 ;—for,

EXTRACTS “from any REPORTS received by the Admiralty as to the Arrival in the Dominion of *Canada*, and Disposal of EMIGRANTS from HER MAJESTY’S DOCKYARDS and ARSENAL, recently conveyed thither in Transport Ships.”

Admiralty,
23 July 1869. }

JOHN HENRY BRIGGS,
Chief Clerk.

— No. 1. —

EXTRACT from LETTER from Her Majesty’s Ship “Crocodile,”
Quebec, 7th May 1869.

The emigrants are landed “all well,” and I have much pleasure in reporting, that from the time they have been on board the “Crocodile” their conduct has been everything that could be desired, and no body of men could have given less trouble.

I may here state that the chaplain and surgeon, with the paymaster and other officers, have been unremitting in their zeal and desire to carry out their Lordships’ instructions, and the emigrants have not been remiss in expressing their gratitude for the kindness shown them.

On their landing to-day I have supplied them with the same rations issued to the troops on their passage to Suez from Alexandria, as the agent informed me that they had a long and cold journey before them. I also kept them on board last night to enable them to have a comfortable night’s rest, instead of placing them in the emigration shed on shore, where there is no convenience or proper accommodation for decent families.

Yesterday, being a general holiday, prevented the emigration agent from procuring railway transportation for them.

— No. 2. —

EXTRACT from LETTER from Her Majesty’s Ship “Serapis,” Quebec,
15th May 1869.

THE emigrants have behaved well, and I am happy to inform their Lordships that the passage being a smooth one, they have experienced little or no discomfort.

17 May 1869.

P.S.—The emigrants disembarked this morning. Before leaving they expressed themselves much pleased, and very grateful for the passage.

— No. 3. —

T. W. C. Murdoch, Esq., to the Secretary to the Admiralty.

Sir,

Emigration Board, 4 June 1869.

I HAVE the honour to inclose herewith, for the information of the Lords Commissioners of the Admiralty, the copy of a letter addressed to us by the emigration agent at Quebec, describing the arrangements adopted for forwarding the emigrants by Her Majesty's ship "Crocodile," to Toronto, and stating that immediate employment had been found for them without difficulty.

I have, &c.

(signed) *T. W. C. Murdoch*.

W. G. Romaine, Esq., &c. &c.

Extracts from
Enclosure
accompanying.

Enclosure in No 3.

EXTRACT of LETTER from Government.

Immigration Office, Quebec, 21 May 1869.

THE emigrants were transhipped on board the Richelieu Company's steamer "Montreal," on the afternoon of the 7th instant, and dispatched to Toronto.

In order as far as possible to obviate any inconvenience or complaint likely to occur on the road, I deemed it prudent to allow a subordinate officer of this department to accompany them, so that their wants were properly attended to on the journey, and they arrived in Toronto in good health and spirits on the morning of the 10th instant, due preparation having been previously made by the agent there to receive them.

Owing to press of business, the Toronto agent, Mr. Donaldson, has not yet had time to favour me with a full report of his proceedings, but from information recently forwarded to me I learn that these people were judiciously distributed amongst the rural districts in his neighbourhood, and that no difficulty was experienced in obtaining immediate employment for them.

— No. 4. —

EXTRACT of LETTER from Her Majesty's Ship "Simoom,"
Quebec, 9th July 1869.

(Reports arrival at Quebec, 9th July).

THE emigrants have, on the whole, behaved remarkably well, and all the arrangements have perfectly answered.

P.S.—The whole of the emigrants were transferred to the "Montreal" steamer this afternoon, which sailed for that port at 5.30 P.M.

DOCKYARD EMIGRANTS TO CANADA.

EXTRACTS from Reports received by the Admiralty as to the Arrival in the Dominion of *Canada*, and Disposal of EMIGRANTS from HER MAJESTY'S DOCKYARDS and ARSENAL, recently conveyed thither in Transport Ships.

(*Mr. Childers.*)

Ordered, by The House of Commons, to be Printed,
26 July 1869.

354
Under 1 oz.

DOCKYARD EMIGRANTS TO CANADA.

RETURN to an Order of the Honourable The House of Commons,
dated 5 August 1869;—for,

EXTRACTS “from any further REPORTS received by the Admiralty as to the Arrival in the Dominion of *Canada*, and Disposal of EMIGRANTS from HER MAJESTY’S DOCKYARDS and ARSENALS, recently conveyed thither in Transport Ships (in continuation of Parliamentary Paper, No. 354, of the present Session).”

Admiralty, }
5 August 1869. }

JOHN HENRY BRIGGS,
Chief Clerk.

EXTRACT from a LETTER dated the 17th July 1869, from the Government Emigration Agent at Quebec:—

“I now beg leave to inform you that the ‘Simoom,’ with 608 souls on board, equal to 482½ adults, arrived in port on the morning of the 9th instant. . . .

“I am pleased to be able to add that, from information recently forwarded to me by the Toronto Agent, but little difficulty seems to have been experienced in finding employment for them, and I have every reason to believe that there is a good prospect of their doing well.”

DOCKYARD EMIGRANTS TO CANADA.

EXTRACT from further Report received by the Admiralty as to the Arrival in the Dominion of *Canada*, and Disposal of EMIGRANTS from HER MAJESTY'S DOCKYARDS and ARSENALS, recently conveyed thither in Transport Ships (in continuation of Parliamentary Paper, No. 364, of the present Session).

(*Mr. Childers.*)

*Ordered by The House of Commons, to be Printed,
6 August 1869.*

BRITISH COLUMBIA, &c.

RETURN to an Address of the Honourable The House of Commons,
dated 1 June 1869;—for,

P A P E R S

ON THE

U N I O N O F B R I T I S H C O L U M B I A

WITH THE

D O M I N I O N O F C A N A D A .

Colonial Office, }
2 August 1869. }

W. MONSELL.

(*Sir Harry Verney.*)

Ordered, by The House of Commons, to be Printed,
3 August 1869.

SCHEDULE.

DESPATCH FROM THE GOVERNOR OF CANADA.

No. in Series.	Number and Date.	Subject.	Page.
1.	7 March 1868 (No. 35).	(Viscount Monck): Transmits approved Minute of the Privy Council of Canada on the subject of certain Resolutions adopted at a public meeting of the inhabitants of Victoria, British Columbia, with reference to the desire of that Colony to be incorporated with the Canada Union - - - - -	5

DESPATCHES FROM THE SECRETARY OF STATE.

1.	13 April 1868 (No. 69).	(Duke of Buckingham and Chandos): Acknowledges Despatch, No. 35, enclosing Minute of Privy Council relating to the incorporation of British Columbia with the Canadian Union. States that whatever may be the advantages to be expected from the union of British Columbia with the Dominion of Canada, the practical consideration of the question must await the time when the intervening territory, now under the control of the Hudson's Bay Company, shall have been incorporated with the Confederation - -	9
2.	13 July 1868 (No. 135).	Transmits, with reference to previous correspondence, for the information of his Responsible Advisers, a Despatch from the Governor of British Columbia, forwarding a Resolution passed by the Legislative Council of that Colony relative to the incorporation of British Columbia with the Canadian Union - -	9
3.	21 Sept. 1868 (No. 198).	Encloses Despatch from the Governor of British Columbia, forwarding a motion which was made in the Legislative Council of that Colony in favour of an Address to Her Majesty on the subject of confederation. Observes, however, that the motion was lost - - - - -	9
4.	1 Feb. 1869 (No. 22).	(The Earl Granville): Transmits Despatch from Governor Seymour, enclosing a letter addressed to him by delegates from a convention held at Yale on the subject of the Confederation - - - -	10
5.	8 May 1869 (No. 84).	Forwards a Despatch from the Governor of British Columbia, enclosing a Resolution of the Legislative Council of that Colony adverse to the immediate union - - - -	10
6.	16 Aug. 1869 (No. 165).	Transmits copy of Despatch addressed to the Governor of British Columbia, making known to him the views of Her Majesty's Government relative to the incorporation of that Colony with the Dominion of Canada - - - -	10

SCHEDULE—continued.

DESPATCHES FROM THE GOVERNOR OF BRITISH COLUMBIA.

No. in Series.	Number and Date.	Subject.	Page.
		(Governor Seymour):	
1.	11 March 1867 (Telegram).	Enquiries whether provision can be made in the Bill now before the Imperial Parliament, for admission of British Columbia into Canadian Confederacy - - - - -	11
2.	24 Sept. 1867 (No. 126).	With reference to telegram, encloses a Resolution passed by the Legislative Council in favour of negotiations being entered into for the union of British Columbia with the Eastern Provinces of North America - - - - -	11
3.	24 Sept. 1867 (Separate).	States his views regarding the feeling entertained in the Colony on the subject of the proposed union with the Dominion - - - - -	12
4.	14 May 1868 (No. 45).	Forwards Resolution passed by the Legislative Council on the subject of the union. Although desirous to see the project carried out, is aware of the difficulties which obstruct its progress. Encloses paragraphs of his speech on the subject in opening and closing the Legislative Council - - - - -	13
5.	28 July 1868 (No. 74.)	Encloses a motion made in the Legislative Council by Mr. De Cosmos in favour of an Address to Her Majesty on the subject of Confederation, which motion, however, was lost. States that there is a feeling with many persons that the hopes of the Colony's progress are to be found in a union with Canada; but that the difficulties appear to him almost insuperable, and the advantages remote - - - - -	14
6.	30 Nov. 1868 (No. 125).	Forwards letter from the principal leaders of a public meeting held at Yale. The questions being: (1.) Union with the Dominion; (2.) Representative Institutions and Responsible Government; (3.) Retrenchment in the Public Expenditure; and (4.) A reciprocal Commercial Treaty with the United States. The Governor expresses his opinion on these questions, and encloses his reply to that letter - - - - -	16
7.	4 March 1869 (No. 26).	Forwards a Resolution of the Legislative Council, urging Her Majesty's Government not to take any decisive steps towards the immediate consummation of a union with the Dominion of Canada - - - - -	28

SCHEDULE—continued.

DESPATCHES FROM THE SECRETARY OF STATE.

No. in Series.	Number and Date.	Subject.	Page.
		(Duke of Buckingham and Chandos):	
1.	19 Nov. 1867 (No. 87).	Acknowledges Despatches, No. 126, and "Separate," of the 24th September. States that whatever might be the advantage from the union, that the consideration of that question must await the time when the intervening territory, now under the control of the Hudson's Bay Company, shall have been incorporated with the Confederation - - - - -	28
2.	11 July 1868 (No. 47).	Informs the Governor that his Despatch, No. 45, of the 14th May, enclosing a Resolution of the Legislative Council, on the subject of union, had been forwarded to the Governor of Canada for his information - - - - -	29
3.	19 Sept. 1868 (No. 75).	States that his Despatch, No. 74, of 28th July, enclosing a motion in the Legislative Council by Mr. De Cosmos, on the subject of Confederation, had been forwarded to Lord Monck -	29
		(The Earl Granville):	
4.	4 Feb. 1869 (No. 10).	Acknowledges Despatch, No. 125, of 30th November, enclosing letter from delegates of a Convention held at Yale, containing a Resolution and Address on the subject of the admission of British Columbia into the Dominion of Canada, the desirableness of establishing Representative Institutions, with Responsible Government, and the necessity for Retrenchment in the Public Expenditure - - - - -	29
5.	6 May 1869 (No. 30).	Acknowledges Despatch, No. 26, of the 4th March, enclosing a Resolution of the Legislative Council adverse to the immediate union, and informs the Government that a copy of it had been forwarded to Sir John Young - - - - -	29
6.	14 Aug. 1869 (No. 84).	States the views of Her Majesty's Government regarding the Incorporation of British Columbia with the Dominion of Canada - - - - -	30

[5]

P A P E R S
ON THE
UNION OF BRITISH COLUMBIA
WITH THE
DOMINION OF CANADA.

DOMINION OF CANADA.

Despatch from the Governor of Canada.

DOMINION OF
CANADA.

— No. 1.—

(No. 35.)

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Buckingham and Chandos*.

Government House, Ottawa, Canada,
7 March 1868.

(Received, 23 March 1868.)
(Answered, No. 69, 13 April 1868, page 9.)

My Lord Duke,

I HAVE the honour to transmit for your Grace's information and favourable consideration an approved Minute of the Privy Council of Canada on the subject of certain resolutions adopted at a public meeting of the inhabitants of Victoria, British Columbia, with reference to the desire of that Colony to be incorporated with the Canadian Union.

I have &c.
(signed) *Monck*.

No. 1.
Governor General
Viscount Monck
to his Grace the
Duke of
Buckingham and
Chandos.
7 March 1868.

6 March 1868.

Enclosure in No. 1.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 6th day of March 1868.

Enclosure in No. 1.

THE Committee have had under consideration a memorandum, dated 5th March 1868, from the Honourable the Minister of Public Works, stating that certain resolutions on the subject of union with Canada, adopted at a public meeting of the inhabitants of Victoria, British Columbia, on the 29th of January last, transmitted through the Hon. S. L. Tilley to the Secretary of State for Canada, were, on the the third instant, referred to a Committee of the Hon. the Privy Council, and by the Council referred to him, the Minister of Public Works, for immediate Report.

That he has read and duly considered the purport of these resolutions, the circumstances under which they were passed, and the action which ought to be taken by the Government of Canada thereupon.

That it appears from these resolutions and the memorial of the Committee appointed at the public meeting, which accompanies them, that the Legislative Council of British Columbia on the 18th of March 1867, unanimously adopted a resolution requesting his Excellency Governor Seymour "to take measures without delay to secure the admission of British Columbia into the Canadian Confederacy on fair and equitable terms."

That it appears further that neither the people of British Columbia, nor the Government of Canada have been apprised of any measures that may have been taken by the Government of British Columbia, in pursuance of the resolution of the Legislative Council.

That

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That the resolutions adopted at the public meeting of the 29th January which was called and presided over by the Mayor of Victoria, the chief city of the Colony, and the statements of the memorial signed by the Mayor and by members of the Legislature and others, leave little room to doubt that the people of that Colony are willing and anxious that it should be admitted into union with Canada if the terms of admission can be agreed upon.

The Minister of Public Works calls attention to the 146th section of "The British North America Act" which applies to the case of British Columbia in express terms. That it will be seen the resolution of the Legislative Council was passed before the British North America Act came into force, and that it did not specify the terms of admission which the Council asked the Government to secure. That it is evident, therefore, that further action is necessary by the Legislature of British Columbia before admission can take place under the provisions of the Imperial Act.

That it is suggested in the memorial of the Mayor and other citizens of Victoria that the Legislature of the Colony, being largely composed of officials, is not so zealous for Confederation as the people whose opinions and wishes it ought to represent.

The Minister submits that, considering the peculiar constitution of the Legislature and Government of British Columbia, and that notwithstanding the resolution of the Legislative Council in March of last year, and the resolutions of public meetings and the expression of opinion through the press of the Colony, both before and since the Act of Confederation, in favor of union with Canada, no official communication on the subject from British Columbia has reached this Government, he would recommend that your Excellency communicate to his Grace the Duke of Buckingham a copy of the memorial and resolutions referred to, and request his Grace to instruct Governor Seymour to take such steps as may be deemed proper to move the Legislative Council of British Columbia to further action in terms of the Imperial Act. He further recommends that his Grace be informed that the Government of Canada will be prepared to submit to Parliament a proposal for the admission of British Columbia into the union in the expectation that the Imperial Government will lose no time in transferring the intervening North Western Territory to the jurisdiction of the Canadian Government.

(Certified)

Wm. H. Lee, Clerk, P. C.

To His Excellency the Governor General and the Honourable the Queen's Privy Council of Canada.

The Memorial of the undersigned, a Committee appointed at a Public Meeting of the Citizens of Victoria, B.C., held on 29th January 1868,

Respectfully sheweth,

1. That on the 18th of March last, a resolution was unanimously passed by the Legislative Council of this Colony, asking his Excellency, Governor Seymour, to take measures without delay, to secure the admission of British Columbia into the Canadian Confederacy on fair and equitable terms.

2. That a public meeting was held at the same time in Victoria, expressing concurrence with the action of the Legislative Council.

3. That the people of Cariboo, the next most populous and influential portion of the Colony, held in December a highly enthusiastic meeting, and unanimously passed resolutions in favour of immediately joining the Dominion of Canada.

4. That the "Daily British Colonist," the leading newspaper of the Colony, has, and does, strenuously support confederation. The "Cariboo Sentinel," a paper of local influence, pursues a similar course. The "British Columbian," a semi-weekly, published at New Westminster, regarded as somewhat subject to Government influence, has expressed itself in favour of confederation, but not very earnestly. The "Columbian" has only a local influence. The "Examiner," a semi-weekly, published also at New Westminster, advocates confederation. The "Morning News," a weekly, published in Victoria, the only other paper in the Colony, is in favour of annexation to the United States, failing that, supports confederation. The only paper that circulates through the whole Colony is the "Colonist," and represents the general feeling of the country on confederation.

5. That public opinion throughout the Colony, so far as we can learn, is overwhelmingly in favour of confederation.

6. That there is a small party in favour of annexation to the United States, and if it were practicable or possible, their number would be largely increased.

7. There is a small party, other than annexationists, who are opposed to confederation.

8. Nearly all the office holders in the Colony are allied to the latter party.

9. The

WITH THE DOMINION OF CANADA.

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9. The total number of those opposed to confederation on fair and equitable terms, is numerically small, but supported by the office holders, they may exert a good deal of resistance to the popular will.

10. That from information in a telegram from Ottawa, dated 22nd January 1868, we learn, that Governor Seymour has not made any propositions to the Dominion Government respecting our admission as was expected.

11. That the Legislative Council, the only Legislative body in the Colony, is made up of a majority consisting of heads of departments, gold commissioners, magistrates, and others, subject to Government influence, and cannot be relied upon to urge on confederation as it ought to be at the present juncture.

12. That the only popular institutions in the Colony are the city councils of Victoria and New Westminster.

13. That, therefore, the people of this Colony are really without the means of expressing and carrying out their wishes through the Legislature.

14. We, therefore, representing as we do the views of the people of this the most populous and influential section of the Colony, and acting in unison with the general and expressed wishes of the people throughout the Colony, would respectfully ask the Government of the Dominion to take immediate steps to bring this Colony into the Dominion, by telegraphing or communicating with Her Majesty's Government, to issue instructions, with as little delay as possible, to Governor Seymour, or otherwise to conclude negotiations as to the terms of our admission.

15. We feel that, without the help and support of the Government of the Dominion, the time will be remote when this Colony will be admitted into the Dominion, but with the aid which we solicit, we believe that there is no obstacle to prevent our admission by the 1st of July next.

16. We would further represent for the information of the Government of the Dominion, that the terms of admission which would be acceptable to the people of this Colony would be:—

1. Canada to become liable for the entire public debt of this Colony, estimated at \$1,500,000.

2. Canada to provide for federal officers and services.

3. To grant a sufficient fixed subsidy, and *per capita* subsidy, to insure the support of the local Government, in addition to the powers of taxation reserved to Provincial Governments in "British North America Act."

4. Representation in the Senate and Commons of Canada.

5. The construction of a trans-continental waggon-road, from Lake Superior to the head of navigation on the Lower Fraser, within two years after the time of admission. This is regarded as an essential condition.

6. Popular representative institutions, insuring responsible control over the Government.

17. Hereafter we hope to communicate further information. In the meantime we confidently trust the Government of the Dominion will cheerfully aid the people of this Colony in furthering their wishes for immediate admission into the confederation.

18. Enclosed we send you a copy of requisition to the Mayor to call a public meeting, and also resolutions passed at said meeting, held on the 29th January 1868.

We have, &c.

(signed) *James Trimble*, Mayor of the City of Victoria,
and Chairman of Committee.

A. De Cosmos, Member of Legislative Council.

J. H. Powell, M.P., Member for the City of
Victoria, of the late Legislative
Assembly of Vancouver Island.

R. Wallace, Merchant.

H. E. Seelye, one of the Editors of the
"British Colonist," and Secretary to
the Committee.

Victoria, B. C., 1 February 1868.

REQUISITION.

To his Worship the Mayor of Victoria,

We, the undersigned citizens of Victoria, would respectfully request your worship to call a public meeting in the theatre, on an early day, for the purpose of inquiring of his Excellency the Governor what progress has been made in the negotiations respecting the admission

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admission of this Colony into the Dominion of Canada, and to consider the advisability of taking further steps to accomplish that object.

George J. Findlay.
Lowe Bros.
Lumley Franklin.
J. H. Turner & Co.

J. W. Powell.
Robert Wallace.
J. R. Stewart.

And 55 others.

REPLY.

Gentlemen,

Victoria, 27 Jan. 1868.

In reply to your numerous signed requisition asking me to call a public meeting for the purpose named therein, I have great pleasure in acceding to your request, and, therefore, appoint Wednesday evening next, at half-past seven o'clock, for said meeting.

I have, &c.

(signed) *James Trimble,*
Mayor of Victoria.

To Messrs. Geo. J. Findlay.
J. W. Powell.
Lowe Bros.
Robert Wallace.
Lumley Franklin.
J. R. Stewart.
J. H. Turner & Co., and others.

Mr. *De Cosmos* then offered the following Preamble and Resolution:—

WHEREAS we recognise in the successful consolidation of Canada, New Brunswick, and Nova Scotia, into one great Government, constituting a new Nationality, the hand of destiny pointing unerringly to the speedy consolidation of all British North America: And whereas the recent action of the Canadian Parliament in asking the Imperial Government to transfer the North-West territory to the Dominion, making British Columbia its western boundary, removes all obstacles of a territorial character to our admission into the Confederacy:

And whereas the Legislative Council at its last session unanimously passed an address to the Governor, asking him to apply to the Government of Canada to admit this Colony into the Dominion; and whereas information respecting such admission has not, as yet, been communicated to the public through the Legislative Councillors as was expected:

Resolved, That we deem it expedient that steps should be taken to conclude negotiations with the Government of Canada for the immediate admission of this Colony into the Dominion, on fair and equitable terms; and that an essential condition to such admission should be the construction by the Dominion Government, within two years, of a trans-continental waggon-road, connecting Lake Superior and the head of navigation on the Lower Fraser.

“When put to vote, the resolution in favour of confederation, with the Overland waggon-road as an essential condition, was successful amid the wildest enthusiasm. Only about 20 hands were raised in opposition. A resolution, appointing a committee to wait upon the Governor to ascertain what progress had been made in the matter, and to take steps to further negotiations for the union of this Colony with the Dominion, was unanimously adopted, and the meeting broke up with three cheers for the Mayor.”—*Colonist*.

Mr. *Seelye* offered the following Resolution, which was seconded and carried unanimously:—

Resolved, That a committee of six, including the Mayor, be appointed by the chair, to wait on his Excellency the Governor, and urge the adoption and carrying out of the views of this meeting, and that such committee be authorised to transact any other business that they may deem expedient to further the cause of confederation.

The Mayor appointed Messrs. Lumley Franklin, A. De Cosmos, Dr. Powell, H. E. Seelye, Robert Wallace, and G. J. Findlay, who, with his Worship added, completes the number called for in the resolutions.

Three cheers were given for the Mayor, and three for confederation, after which the vast assemblage separated, and thus ended the most enthusiastic meeting in favour of confederation ever held here.

Despatches from the Secretary of State.

— No. 1. —

(No. 69.)

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

No. 1.

His Grace the Duke of Buckingham and Chandos to Governor General Viscount Monck.
13 April 1868.
* Page 5.

My Lord,

Downing-street, 13 April 1868.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 35,* of the 7th March, enclosing for my favourable consideration an approved Minute of the Privy Council relating to the incorporation of British Columbia with the Canadian Union. I have given to that Minute that attention which its subject deserves, but I am of opinion that whatever may be the advantages to be expected hereafter from the union of the Colony of British Columbia with the Dominion of Canada, and however willing Her Majesty's Government may be to promote that union, the practical consideration of the question must at all events await the time when the intervening territory now under the control of the Hudson's Bay Company shall have been incorporated with the confederation.

I have, &c.

(signed) *Buckingham and Chandos*.

— No. 2. —

(No. 135.)

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

No. 2.

His Grace the Duke of Buckingham and Chandos to Governor General Viscount Monck.
13 July 1868.

My Lord,

Downing-street, 13 July 1868.

WITH reference to your Despatch, No. 35,† of the 7th of March, and to my reply, No. 69,‡ of the 13th of April, relating to the incorporation of British Columbia with the Canadian Union, I have the honour to transmit to you, for your information and for that of your Responsible Advisers, a copy of a Despatch which I have received from the Governor of British Columbia, forwarding a copy of a resolution passed by the Legislative Council of the Colony, in its recent session, on the same subject.

I have, &c.

(signed) *Buckingham and Chandos*.

† Page 5.

‡ Above, p. 9.

No. 45, 14 May
1868, page 13.

— No. 3. —

(No. 198.)

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos* to Governor-General Viscount *Monck*.

No. 3.

His Grace the Duke of Buckingham and Chandos to Governor General Viscount Lord Monck.
21 Sept. 1868.

My Lord,

Downing-street, 21 September 1868.

I HAVE the honour to transmit to you for your information, and for that of your Responsible Advisers, with reference to my Despatch, No. 135,§ of the 13th July, a copy of a Despatch from the Governor of British Columbia, enclosing copy of a motion which was made in the Legislative Council of that Colony in favour of an Address to Her Majesty on the subject of confederation with the Dominion of Canada.

You will observe that the motion was lost.

I have, &c.

(signed) *Buckingham and Chandos*.

Above, page 9.

No. 74. 28 July,
page 14.

DOMINION OF
CANADA.

— No. 4. —

(No. 22).

No. 4.
Earl Granville,
K.G., to Governor
General the Right
Hon. Sir J. Young,
Bart.

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor General the Right Honourable Sir *J. Young*, Bart.

1 Feb. 1869.

* Page 9.

† Page 9.

No. 125. 30 Nov.
1868, page 16.

Sir,

Downing-street, 1 February 1869.

I HAVE the honour to transmit to you for your consideration, and with reference to my predecessor's Despatches to Lord Monck, of the 13th July* and 21st September† last, a copy of a Despatch from Governor Seymour, enclosing a letter addressed to him by delegates from a convention held at Yale, on the subject of the union or confederation of British Columbia with the Dominion of Canada.

I have, &c.
(signed) *Granville*.

— No. 5. —

(No. 84.)

No. 5.
Earl Granville,
K.G., to Governor
General the Right
Hon. Sir J. Young,
Bart.

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor General the Right Honourable Sir *J. Young*, Bart.

8 May 1869.

† Page 9.

No. 26. 4 March
1869, page 28.

Sir,

Downing-street, 8 May 1869.

I HAVE the honour to transmit to you for your information, and with reference to my predecessor's Despatch to Lord Monck, No. 135,† of the 13th July, a copy of a Despatch from the Governor of British Columbia, enclosing a copy of a resolution by the Legislative Council of that Colony adverse to the immediate union of British Columbia with the Dominion of Canada.

I have, &c.
(signed) *Granville*.

— No. 6. —

(No. 165).

No. 6.
Earl Granville,
K.G., to Governor
General the Right
Hon. Sir J. Young,
Bart.

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor General the Right Honourable Sir *John Young*, Bart.

16 August 1869.

No. 84. 14 Aug.
1869. Printed at
page 30.

Sir,

Downing-street, 16 August 1869.

I TRANSMIT to you herewith a copy of a Despatch I have addressed to the Governor of British Columbia, making known to him the views of Her Majesty's Government—the important question of the incorporation of that Colony with the Dominion of Canada.

I have so fully explained myself in that Despatch, that it is not necessary that I should do more than instruct you at once to lay a copy of it before your Advisers.

I have, &c.
(signed) *Granville*.

BRITISH COLUMBIA.

BRITISH
COLUMBIA.

Despatches from the Governor of British Columbia.

— No. 1. —

COPY of TELEGRAM from Governor *Seymour* to Lord *Carnarvon*,
11 March 1867.

No. 1.
Governor *Seymour*
to Lord *Carnarvon*.
11 March 1867.

CAN provision be made in Bill now before Parliament for ultimate admission of British Columbia into Canadian Confederacy?

— No. 2. —

(No. 126.)

COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of
Buckingham and Chandos.

Victoria, 24 September 1867.

(Received, 4 November 1867.)

(Answered, No. 87, 19 November 1867, page 28.)

My Lord Duke,

I TELEGRAPHED to your Grace's predecessor, on the 11th of March—

"Can provision be made in the Bill before Parliament for the ultimate admission of British Columbia to Canadian confederation?"

2. I have the honour to enclose copy of a resolution passed by the Legislative Council in favour of negotiations being entered into for the union of this Colony with the Eastern Provinces of North America.

Enclosure.

3. I have made some remarks on this subject in a separate Despatch of even date.

I have, &c.

(signed) *Frederick Seymour*.

Enclosure in No. 2.

Monday, the 18th day of March 1867.

Enclosure in No. 2.

PURSUANT to the order of the day, the Council went into committee of the whole to consider the Hon. Mr. De Cosmos' motion in respect to taking steps to include British Columbia in the British North American Confederation.

The presiding member left the chair.

The Hon. Mr. Brew in the chair of the committee.

The presiding member resumed the chair.

The committee rose, and the chairman handed in the following resolution, which, having been put to the Council, was carried unanimously, and it was—

Resolved, That this Council is of opinion that at this juncture of affairs in British North America, east of the Rocky Mountains, it is very desirable that his Excellency be respectfully requested to take such steps, without delay, as may be deemed by him best adapted to insure the admission of British Columbia into the Confederation on fair and equitable terms, this Council being confident that in advising this step they are expressing the views of the colonists generally.

BRITISH
COLUMBIA.

— No. 3. —

(Separate.)

COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of
Buckingham and Chandos.

Victoria, 24 September 1867.

(Received, 6 November 1867.)

(Answered No. 87, 19 November 1867, page 28.)

No. 3.
Governor Seymour
to his Grace the
Duke of Bucking-
ham and Chandos.
24 Sept. 1867.

My Lord Duke,

WITH reference to my Despatch, No. 126,* of this date, I have the honour to
place in a separate despatch, with less reserve, a few remarks on the desire of
the people of this Colony to join the Eastern Confederation.

* Page 11.

2. A resolution was passed by the Legislative Council in favour of negotia-
tions being entered into with a view to a union of all the British possessions in
North America.3. Though the motion passed through the Council without opposition, there
was but little warmth felt in its favour. The question is obviously at present
one of great difficulty. It is hard to know what benefits the Colony or the
Eastern Confederacy would derive from a closer connection while the lands in-
tervening between Canada and our frontier belong to a private company. The
resolution was the expression of a despondent community longing for change.
It was felt that no harm could be done by making public the desire for amalga-
mation with English communities so much nearer the mother country, and that
possibly some assistance might be given either by England or Canada towards
the making of a road across the continent.4. When gold was discovered in British Columbia, and glowing accounts of
the wealth of the country filled columns of the leading London journals, a con-
siderable number of immigrants arrived from home, with expectations which
even the vast national resources of the Colony could not satisfy. Most of those
who sought their fortunes here were men unable to make their way in Europe,
unequal to the labour which gold mining entails, without the business habits
requisite for the trader or the capital necessary to the farmer. Many of them
failed, and have thrown the blame of the failure upon other shoulders than their
own. No immigrants from England now resort to this Colony. The only English-
men who find their way hither filter to us through California, and, as adventurous
Americans still visit us, the population is now becoming alien to a large extent.5. It is thought by many of those who have made this their home that
the only chance of its being prosperous while a dependency of a very distant
country, which helps more by advice than by the substantial aid which a young
and struggling community requires, is a union with the more developed and
apparently more prosperous colonies on the Atlantic. My own impression is
that the main chance of keeping British Columbia English in sentiment is to
furnish from home some pecuniary aid, some military assistance, or help its
communications with the Dominion of Canada. Even independent of the great
distance from the mother country, natural features seem to indicate its connec-
tion with the eastern lands. The Cascade Mountains on the western side of our
principal gold mines and finest agricultural districts are more rugged than the
Rocky Mountains; and Dr. Rae, the celebrated explorer, informed me that there
were greater difficulties already surmounted on the line of road between Yale
and Lytton in this Colony than were to be found between Lytton and the
Red River settlements. The extraordinary natural difficulty of the access from
the Pacific to our best gold mines and agricultural districts seem to point to
an eastern connection.6. I feel that I must necessarily write very vaguely on this subject. It is for
me merely to state the wish of the people of this Colony and my own for a
fusion or an intimate connection with the Eastern Confederation. It rests with
your Grace to see if that wish can be carried out. Merely to join the Confede-
ration on the condition of sending delegates to Ottawa, and receiving a Governor
from the Canadian Ministry, would not satisfy the popular desire.

I have, &c.

(signed) *Frederick Seymour*.

WITH THE DOMINION OF CANADA.

13

— No. 4. —

(No. 45.)

COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of
Buckingham and Chandos.

New Westminster, 14 May 1868.

(Received 1 July 1868.)

(Answered, No. 47, 11 July 1868, page 29.)

My Lord Duke,

WITH reference to previous correspondence, I have the honour to forward copy of a resolution passed by the Legislative Council on the subject of union with the Dominion of Canada. Desiring, on the whole, to see the project carried out, I cannot be blind to the great difficulties which obstruct its progress.

I enclose copy of the paragraphs on the subject which appeared in the speech, with which I opened the Legislative Council, and in that with which I closed it.

I have, &c.
(signed) *Frederick Seymour*.

Enclosure 1, in No. 4.

(No. 35.)

RESOLUTION of the Legislative Council of 30 April 1868.

Encl. 1, in No. 4.

Sir,

Council Chamber, 30 April 1868.

I HAVE the honour to submit the annexed resolution of the Legislative Council of the 24th instant.

Resolved, That this Council, while confirming the vote of last Session in favour of the general principles of the desirability of the union of this Colony with the Dominion of Canada to accomplish the consolidation of British interests and institutions in North America, are still without sufficient information and experience of the practical working of confederation in the North American Provinces to admit of their defining the terms on which such an union would be advantageous to the local interests of British Columbia.

I have, &c.
(signed) *William A. G. Young*,
Presiding Member.

His Excellency the Governor.

Enclosure 2, in No. 4.

EXTRACT from Governor's Speech at Opening of Legislative Council.

Encl. 2, in No. 4.

DURING the last Session, your Honourable Council unanimously passed a resolution in favour of negotiations being entered into for the union of this Colony with the confederation which has been formed among the Eastern British Provinces on this continent. Although I could not be blind to difficulties which made me consider the resolution principally as the expression of a disheartened community, longing for change of any kind, yet the possibility alone of something arising out of it to promote an overland communication with Canada, was enough to induce me to support your resolution. I learn, in reply to my communications on the subject, that the consideration of it must, at all events, await the time when the intervening territory now under the control of the Hudson's Bay Company shall have been incorporated with the confederation."

EXTRACT from Governor's Speech at the Closing of the Legislative Council.

"I NOTICE that, while adhering to your vote of last year, in favour of confederation with Canada, you are of opinion that it is not necessary to take any further steps in the matter at present. I think your resolution a wise one. The question is by no means slumbering; but the difficulties of the project are seen clearer by those who have a wider range of vision than we can possess, and without whose material assistance our efforts would be but vain."

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— No. 5. —

(No. 74.)

No. 5.

Governor Seymour
to his Grace the
Duke of Bucking-
ham and Chandos.
28 July 1868.COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of
Buckingham and Chandos.

Victoria, 28 July 1868.

(Received 9 September 1868.)

(Answered, No. 75, 19 September 1868, page 29.)

My Lord Duke,

* Page 13.

Printed copy.

REFERRING to my Despatch, No. 45,* of the 14th May, I have the honour to forward to your Grace copy of a motion which was made in the Legislative Council by Mr. De Cosmos in favour of an Address to Her Majesty, on the subject of confederation with the Dominion of Canada. This motion, your Grace will see, was lost.

2. There is, however, a feeling with many persons in this Colony, that the best hopes of its progress are to be found in an intimate union with Canada. The difficulties, however, appear to me to be, in the present state of things, almost insuperable, and the advantages remote.

Confederation would, however, probably attract greater attention to this Colony than it now receives in England.

I have, &c.

(signed) *Frederick Seymour*.

Enclosure in No. 5.

Enclosure in No. 5. PURSUANT to a deferred Order of the day, the Honourable Mr. *De Cosmos* moved, the Honourable Mr. *Stamp* seconding, the following Address to Her Majesty, on the subject of Confederation with the Dominion of *Canada*:—

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

Most Gracious Sovereign,

WE, Your Majesty's dutiful and loyal subjects, the Members of the Legislative Council of British Columbia, in Session convened, would most respectfully represent,—

I. That in an Act passed in the thirtieth year of Your Majesty's reign, entitled "The British North America Act, 1867," provision is made for the admission of British Columbia into the Dominion of Canada.

II. That the 146th section of the said Act declares that British Columbia may be admitted into the Dominion of Canada, provided that addresses to Your Majesty, containing the terms and conditions of such admission, shall be passed by the Houses of Parliament of Canada and the Legislature of British Columbia.

III. That Your Majesty's dutiful and loyal subjects the inhabitants of British Columbia most earnestly desire that such admission may take place without delay, on the terms and conditions hereinafter enumerated.

IV. That being fully convinced that such admission would, in a marked degree, strengthen British power and influence, and establish more firmly British institutions in your Majesty's possessions in North-west America; and generally throughout all British North America; and faithfully representing, as we do, the general and expressed wishes of the inhabitants of this Colony, we earnestly desire that such admission may take place without delay, on the terms and conditions hereinafter enumerated.

V. Therefore we, Your Majesty's dutiful and loyal subjects, the Members of the Legislative Council of British Columbia, humbly pray that Your Majesty may be graciously pleased to admit without delay the Colony of British Columbia into the Dominion of Canada, in accordance with the provisions of "The British North America Act, 1867," and on the terms and conditions following:

1. The limits of British Columbia, on and after admission, to be the same as at present.

2. The Dominion of Canada to become liable for the public debt of British Columbia, and make the same a charge on the Consolidated Revenue Fund, the said debt not to exceed one million five hundred thousand dollars (\$1,500,000).

3. British Columbia to be liable for such portion of her funded and floating debts as may exceed the said 1,500,000 dollars.

4. The

4. The Dominion of Canada to pay annually out of her Consolidated Revenue Fund, in semi-annual advances, to British Columbia for the support of her local Government and Legislature, the sum of 110,000 dollars, and also an annual grant in aid of the local Government of British Columbia, equal to 80 cents per head of the population of British Columbia, the minimum number of said population, including Indians, not to be estimated at less than 40,000 at any time, and the increase of population after admission to be the increase of population other than Indians, and the said increase of population to be determined by census or otherwise, as may from time to time be expedient.

5. All Crown lands, mines, minerals, and royalties situate in British Columbia at the time of admission, and all sums of money then due or payable, or that may afterwards accrue for such Crown lands, mines, minerals, and royalties, to belong to British Columbia, and be under the exclusive control of its Government and Legislature.

6. All stocks, cash, bankers' balances, and securities for money belonging to British Columbia at the time of admission to be the property of British Columbia.

7. All public works and property of British Columbia at the time of admission to belong to the Colony of British Columbia.

8. The Dominion of Canada to construct, within three years after admission of British Columbia, a good overland waggon road extending from Lake Superior, Ontario, to the head of navigation on Lower Fraser River, British Columbia, and to commence the construction of the same through the Rocky Mountains within one year after admission.

9. The Imperial Government to guarantee a loan to construct the said overland road, if deemed expedient.

10. British Columbia to be represented in the Senate by not less than two Members, and in the Commons by not less than three Members, at any time.

11. At the first election of representatives to the Commons, and until otherwise provided by the Parliament of Canada, the Lieutenant Governor of British Columbia to proclaim what shall be the qualifications and disqualifications of representatives and electors, the boundaries of electoral districts, and the laws governing such elections.

12. At the time of admission, the revenue laws of the Dominion of Canada to extend and apply to British Columbia, and thereupon the revenue laws of British Columbia thereby affected to be null and void, and all duties and revenues derived in and from British Columbia under the revenue laws of the Dominion of Canada to belong to Canada.

13. The exclusive powers of provincial legislatures enumerated in the 92nd section of "The British North America Act, 1867," and all other provisions of the said Act that extend and apply generally to the provinces of the Dominion of Canada and that may be applicable to British Columbia, except as otherwise in this address provided, to extend and apply to British Columbia, at and from the time of admission.

14. Except as otherwise provided, all laws in force in British Columbia, at the time of admission, and all courts of civil and criminal jurisdiction, and all legal commissions, powers, and authorities, and all officers, judicial, administrative, and ministerial existing therein at the time of admission to continue in British Columbia as if such admission had not taken place; subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of British Columbia, according to the authority of the said Parliament or of the said Legislature, under "The British North America Act, 1867."

15. Until the Parliament of Canada provides otherwise, all officers of British Columbia, at and from the time of admission, having duties to discharge in relation to matters other than those coming within the classes of subjects assigned by "The British North America Act, 1867," to the provinces, to be officers of Canada.

16. And generally all such unenumerated provisions, acts, and things as may be necessary to the due and proper execution of the terms and conditions hereinbefore enumerated, and to the granting of the prayer of this address.

17. And as in duty bound we will ever pray.

The Hon. Mr. Wood moved, in amendment, the Hon. Mr. Ball seconding:

That this Council, while confirming the vote of last Session in favour of the general principle of the desirability of the union of this Colony with the Dominion of Canada, to accomplish the consolidation of British interests and institutions in North America, are still without sufficient information and experience of the practical working of confederation in the North American Provinces, to admit of their defining the terms on which such an union would be advantageous to the local interests of British Columbia.

Whereupon a debate arose, which having terminated,—

The Hon. Mr. De Cosmos moved that the Standing Orders be suspended, in order to enable him to withdraw his motion.

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The question of suspending the Standing Orders having been put and lost, the amendment was put.

The Council divided.

Ayes, 12.
Messrs. Trutch,
O'Reilly,
Cox,
Wood,
Pemberton,
Helmcken,
Smith,
Elwyn,
Ker,
Ball,
Spalding,
Crease,

Noes, 4.
Messrs. Stamp,
De Cosmos,
Robson,
Walkem.

The names having been taken down by the clerk, pursuant to request.

So the amendment was carried, and it was resolved accordingly.

— No. 6. —

(No. 125.)

No. 6.

Governor Seymour
to his Grace the
Duke of Bucking-
ham and Chandos.
30 Nov. 1868.

COPY of a DESPATCH from Governor *Seymour* to his Grace the Duke of
Buckingham and Chandos.

Victoria, 30 November 1868.

(Received 16 January 1869.)

(Answered (No. 10) 4 February 1869, page 29.)

My Lord Duke,

I HAVE the honour to lay before your Grace a letter addressed to me by the principal leaders of a large and respectable public meeting, or, as these gentlemen prefer to style it, a Convention held at Yale. I add a copy of my reply.

2. The principal questions upon which the convention agreed appears to have been,—

1. Union or confederation with the Dominion of Canada.
2. Representative Institutions and Responsible Government in the Colony.
3. Retrenchment in the public expenditure, principally in the way of dismissing certain public officers, and reducing the salaries of others.
4. A reciprocal commercial treaty with the United States, whereby the raw productions of the Colony might be introduced into the neighbouring republic, duty free.

3. As regards the first point, I do not suppose that there is an Englishman who would not desire to see one unbroken Dominion under his flag extending from the Atlantic to the Pacific. For all present facilities of intercourse we are as near to Japan as to Ottawa. But the matter does not rest with the so-called Convention at Yale, but has already occupied your Grace's attention, and that of the Government of Canada. I must say that this Colony appears to possess so little interest for the people of England, that perhaps any change which would call attention to its really wonderful resources would do good.

4. The second resolution is in favour of Representative Institutions and Responsible Government in the Colony. The Legislative constitution of the Colony is a subject which has occupied my attention much of late; but I have not been able to see a clear path before me. Local politics have their head-quarters in Victoria. If one ascends the Fraser but a few miles one finds less excitement and better tempers at New Westminster, and so it goes on in proceeding up country till, at Clinton, the whole thing is ignored. The miners of Cariboo and Kootenay are in the most profound state of indifference as regards what is passing at head-quarters. I should be glad if we had some mode of allowing the people of Victoria, through their representatives, to relieve themselves of their burden of complaints, and by simply stating what the "miserable misgovernment" (with which cry the streets echo) consists of, enable a respectful explanation to be furnished. I shall anxiously consider this subject, and it is not unlikely that it will be brought up at the next Session of the Legislature.

5. The

5. The Convention then urges retrenchment. We have an enormous amount to pay for interest on loans, nearly a third of our revenue. Were we free from debt, our finances would be in a most flourishing condition. I am not answerable for the debt. It was not incurred by me, yet it devolves upon me to pay, and I believe that the doing so is the principal cause of the outcry of "miserable misgovernment." Reductions in salaries, to the extent of upwards of 80,000 dollars, have been made during my tenure of office. I have never appointed anyone higher than a constable, and have no hope of doing so during my incumbency of office. I think my own salary a little high for the Colony to pay, but certainly not so for the holder of the very important and expensive position I fill to receive. Sir James Douglas, in October 1858 (when the revenue had not amounted to 22,900 £.) reported to the Secretary of State that he could not live under 5,000 £. a year.

6. As regards a treaty of commercial reciprocity, I agree entirely with the Convention. Our nearest markets for lumber now are Australia and France; and at this moment when San Francisco has been half ruined by an earthquake, and it is proposed to rebuild the shaken houses of timber instead of stone, the citizens will have to depend upon the mills of Washington territory for their supplies, instead of being able to make use of the magnificent timber of Burrav Inlet, a few miles from the boundary, but unfortunately for the mill-owners on English soil.

7. It is but right that I should state that the proceedings of the Yale meeting did not meet with universal approval. I enclose two notices, very respectably signed, protesting against the whole affair.

8. I may add that the more prominent advocates for confederation were defeated at the last elections in Victoria for Members to serve in the Legislative Council.

I have, &c.
signed) *Frederick Seymour.*

Enclosure 1, in No. 6.

MEMORIAL from Messrs. *R. Wallace & De Cosmos* and others to Governor *Seymour*. Encl. 1, in No. 6.

May it please your Excellency :

The Memorial of the undersigned respectfully sheweth,—

THAT a Convention, consisting of 26 delegates from different sections of the Colony, was held at Yale, B. C., on 14th September 1868, "for the purpose of accelerating the admission of this Colony into the Dominion of Canada upon equitable and beneficial terms, and also to devise means to secure Representative Institutions with Responsible Government for this Colony, and to take such other steps as the Convention might deem proper to obtain redress of the numerous grievances under which the country now suffers."

That the said Convention was convened after due and ample public notice.

That the session of the said Convention occupied three days.

That the resolutions hereto annexed were passed at the said Convention.

That the undersigned were appointed by the said Convention to prepare and transmit to your Excellency an address in accordance with, and accompanied by, the said resolutions.

That therefore the undersigned, in the name and behalf of the said Convention, respectfully pray that your Excellency may be pleased to take into your favourable consideration the resolutions hereto annexed, and especially that your Excellency be pleased to take,—

1. Such measures as may determine, at the earliest possible period, whether this Colony can be admitted on such terms; and that if it cannot be admitted on such terms, to make public the reasons why such terms cannot be obtained, in order to quiet the public mind on the subject.

2. Such measures as may immediately establish Representative Institutions and Responsible Government in the Colony.

3. Such measures as may effect the most thorough retrenchment in the public service compatible with due and proper securities for the preservation of life and property.

4. Such measures as may induce Her Majesty's Government to open negotiations to obtain from the United States of America the privilege of allowing the raw productions of this Colony to be entered free of duty in the ports of the United States under the operation of a reciprocal commercial treaty.

390.

5. Such

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5. Such means as may initiate and perfect the other reforms enumerated in the resolutions of the Convention, hereto annexed.

(signed) *R. Wallace, Chairman.*
A. De Cosmos.
John T. Robson.
Hugh Nelson.
L. G. M'Millan.
J. G. Norris.

Victoria, British Columbia,
9 October 1868.

Governor *Seymour* to Messrs. *Wallace, De Cosmos*, and others.

Gentlemen,

Victoria, 14 November 1868.

I HAVE had the honour to receive your letter, forwarding certain resolutions passed at a public meeting held at Yale. It will now be so soon that I shall have to communicate with the Legislative Council on all, or nearly all, the topics adverted to in the resolutions passed, that you will forgive me for not doing more at present than stating that I shall forward the resolutions enclosed to the Secretary of State, with perfectly respectful comments.

The Local Government is by no means indifferent to the very important and difficult subjects to which the Yale resolutions refer.

I have, &c.
(signed) *Frederick Seymour.*

MINUTES of a Preliminary Meeting of the Delegates, elected by the various Districts of *British Columbia*, convened at Yale, pursuant to the following call:

"YALE CONVENTION.

"THE Confederation League propose holding at Yale, on Monday, 14th September 1868, a Convention of Delegates, for the purpose of accelerating the admission of this Colony into the Dominion of Canada, upon equitable and beneficial terms; and also to devise means to secure Representative Institutions with Responsible Government for this Colony; and to take such other steps as the Convention may deem proper to obtain redress for the numerous grievances under which this country now suffers.

"The inhabitants of the respective districts of the Colony are invited to elect delegates without delay to represent their views in the above Convention.

"By order of the Executive Committee,
" *Robert Beaven,*
" Secretary."

The following gentlemen were present:

Messrs. Wallace, Robson, De Cosmos, Fisher, Barnard, Black, Evans, Norris, M'Millan, Thompson, Featherstone, Gibbs, Babbitt, Withrow, Armstrong, Miller, Smith, Holbrook, Rose, Nelson, Havelock, Fulton, M'Lardy, Brouse, King.

Moved by Mr. Barnard, seconded by Mr. Robson: That Mr. Wallace take the chair *pro tem.*—Carried.

Moved by Mr. Barnard, seconded by Mr. Nelson: That Mr. Charles Evans be secretary *pro tem.*—Carried.

Moved by Mr. De Cosmos: That a committee on credentials, consisting of three, be appointed; which committee shall suggest what offices are necessary for the purposes of the Convention.—Seconded by Mr. M'Millan, and carried.

The chairman appointed as Committee on Credentials, Messrs. Barnard, Thompson, and Babbitt.

Moved by Mr. De Cosmos, seconded by Dr. Black: That an intermission till the call of the chairman be allowed for the Committee on Credentials to report.—Carried.

On the chairman resuming his seat, the Committee on Credentials presented the following report, and asked leave to sit again:

The Committee appointed to examine credentials report the following gentlemen qualified to sit in this Convention:

Messrs. R. Wallace; Amor De Cosmos (Victoria); Brouse (Lake La Hache); Henry Holbrook; John Robson; A. W. S. Black; David Withrow (New Westminster City); Alex. Rose (Yale District); D. W. Miller (New Westminster District); R. Smith (Lytton District); Charles Evans; Adam M'Lardy; Henry Havelock (Yale); Jas. E. M'Millan; J. G. Norris (Victoria); M. W. Gibbs (Salt Spring Island); E. H. Babbitt; W. C. King (Cariboo); J. C. Armstrong (Quesnel Mouth); F. J. Barnard (Williams Lake); Thomas Fulton

Fulton (Metchosin); H. Featherstone (Lillooet); J. B. Thompson; W. Fisher (Esquimalt); Hugh Nelson (Burrard Inlet); James Donnelley (Harrison River).

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The committee recommended the election of the following officers for this Convention, viz.:

A Chairman, a Vice-Chairman, two Secretaries, a Sergeant-at-arms, a Standing Committee on Business, to consist of five members.

All of which is respectfully submitted.

(signed) *F. J. Barnard*, Chairman.

Moved by Mr. Robson, seconded by Mr. De Cosmos: That report of Committee on Credentials be received.—Carried.

Moved by Mr. De Cosmos: That the Committee on Business be seven instead of five.—Carried.

Moved by Mr. Robson: That so much of the report as related to a vice-chairman be rejected.—Carried.

The report of the Committee on Business was then adopted as amended.

Moved by Mr. Barnard, seconded by Mr. Norris: That Mr. Wallace be chairman of the Convention.—Carried.

Moved by Mr. Robson, seconded by Mr. Thompson: That Messrs. Havelock and Evans act as secretaries.—Carried.

Moved by Mr. Barnard, seconded by M^rLardy: That Mr. Barlow be engaged to act as sergeant-at-arms.—Carried.

The chairman then declared the Convention open for the transaction of business.

The chairman appointed Messrs. Havelock, Babbitt, De Cosmos, Robson, Thompson, M^rMillan, and the chairman, as Committee on Business.

Moved by Mr. Norris, seconded by M. Barnard: That the Convention adjourn till one p.m.

ADJOURNED MEETING.

Convention met at one p.m.

Mr. Wallace in the chair.

Present: Messrs. Robson, De Cosmos, Fisher, Black, Evans, Norris, M^rMillan, Thompson, Barnard, Featherstone, Gibbs, Babbitt, Withrow, Armstrong, Miller, Smith, Holbrook, Rose, Nelson, Havelock, Fulton, M^rLardy, King, Brouse.

The Committee on Business presented their report and asked leave to sit again.

Moved by Mr. Barnard, seconded by Mr. Norris: That the report of the Committee on Business be received.

Moved by Mr. Thompson, seconded by Mr. De Cosmos, "That this convention resolve itself into committee of the whole, for consideration of the report of the Committee on Business."—Carried.

The chairman then appointed Dr. Brouse as chairman of committee, and left the chair.

On the chairman resuming the chair, Dr. Brouse reported the following 15 resolutions:

"Whereas this convention, composed of delegates representing different constituencies, has, at the general popular desire, and after due and ample public notice, been convened at Yale, British Columbia, this 14th September 1868, by the call of the Confederate League, and by the authority of the people of British Columbia in the respective districts declared, to give a full, unprejudiced, and united expression of their views and feelings respecting the desirability of the admission of this Colony into the Dominion of Canada, the necessity for the immediate establishment of Representative Institutions with Responsible Government, and generally as to the state, wants, and wishes of the country:

"And whereas this convention is duly impressed with the high, responsible, and patriotic duties that their fellow-countrymen have called on them to discharge, and cherishes the most ardent and devoted loyalty to Her Most Gracious Majesty the Queen, and attachment to British institutions:

"And whereas it is expedient to resolve and declare what, in its opinion, is right and proper in the premises. This Convention therefore, in virtue of the trust reposed in it, and with an honest and patriotic desire to promote the public welfare, after due deliberation, resolves and declares as follows:

"I. That all governments should exist by the free and just consent of the governed, and that the government that does not exist by the free and just consent of the governed is a despotism. That the Government of British Columbia does not exist by the free and just consent of the governed, and is, therefore, a despotism. That it is unsuited to the free British subjects of this Colony. That it deprives the people of their rightful share in the Government, as no Statute or Order in Council exists which guarantees to the people the right to participate in the Government of the Colony; but in the Legislative and Executive Departments all are nominated, or may be rejected, suspended, or removed by the Governor

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of this Colony. That the ordinary consequences of such a form of government are manifest in this Colony in the disregard of public opinion, in the neglect of public interests, in the high taxation, in the annual deficits, in the annually-increased public debt, in expending large sums of public money in paying salaries disproportionate to the services rendered, and in maintaining an unnecessarily large number of officials, and in the tendency which the continuance of such political evils have to weaken the attachment of the people to the Crown and British connection. That to such an extent have the evils of misgovernment multiplied that profound, widespread, universal discontent prevails, and is expressed at the form of government, and at the manner in which the affairs of the Colony have been and are mismanaged; and that the people of British Columbia loudly demand a remedy.

"II. That the proper remedy for the present political condition of the Colony, and the one that commends itself as preferable to all others, being in harmony with Imperial policy and the legitimate aspirations and desires of the people of this Colony, is the immediate admission of British Columbia into the Dominion of Canada, on terms equitable, expedient, and beneficial, simultaneously with the establishment of Representative Institutions and Responsible Government; and that, whether admission into the Dominion of Canada shall occur or not, Representative Institutions and Responsible Government should be inaugurated forthwith in British Columbia.

"III. That the terms of admission into the Dominion of Canada that would be equitable, expedient, and beneficial to the Colony, in the opinion of this Convention, are chiefly expressed in the following 15 sections:

"1. The limits of British Columbia, on and after admission, to be the same as at present.

"2. The Dominion of Canada to become liable for the public debt of British Columbia, at the time of admission.

"3. The Dominion of Canada to pay annually out of her Consolidated Revenue Fund, in semi-annual advances to British Columbia, for the support of her local Government and Legislature, the sum of 110,000 dollars, and also an annual grant in aid of the local Government of British Columbia, equal to 80 cents per head of the population of British Columbia, the minimum number of said population, including Indians, not to be estimated at less than 40,000 at any time, and the increase of population after admission, to be the increase of population other than Indians, and the said increase of population to be determined by census or otherwise, as may from time to time be expedient.

"4. All Crown lands, mines, minerals, and royalties situate in British Columbia at the time of admission, and all sums of money then due or payable, or that may afterwards accrue, for such Crown lands, mines, minerals, and royalties to belong to British Columbia, and to be under the exclusive control of its Government and Legislature.

"5. All stocks, cash, bankers' balances, and securities for money belonging to British Columbia, at the time of admission, to be the property of British Columbia.

"6. All public works and property of British Columbia, at the time of admission, to belong to British Columbia, with the exception of such portions of the Grand Trunk road through British Columbia, or other roads then constructed, as may be used as a portion of the trans-continental road, which shall become the property of the Federal Government.

"7. The Dominion of Canada to construct, within three years after the admission of British Columbia, a good overland waggon road, extending from Lake Superior, Ontario, to the head of navigation on the lower Fraser river, British Columbia, and to commence the construction of the same through the Rocky Mountains, within one year after admission.

"8. The Imperial Government to guarantee a loan to construct the said overland road, if deemed expedient.

"9. If, at any time after admission, the Legislature of British Columbia shall pass an address to the Governor General of Canada, declaring that it is expedient to establish a free port on the Pacific, in order to advance the interests of British commerce in the North Pacific, the Parliament of the Dominion to make provision for the establishment of the same.

"10. British Columbia to be represented in the Senate by not less than two Members, and in the Commons by not less than three Members at any time.

"11. At the first election of representatives to the Commons and until otherwise provided by the Parliament of Canada, the Lieutenant Governor of British Columbia to proclaim what shall be the qualifications and disqualifications of representatives and electors, the boundaries of electoral districts and the laws governing such elections.

"12. At the time of admission the revenue laws of the Dominion of Canada to extend and apply to British Columbia, and thereupon the revenue laws of British Columbia thereby affected to be null and void, and all duties and revenues derived in and from British Columbia under the revenue laws of the Dominion of Canada to belong to Canada.

"13. The exclusive powers of provincial legislatures enumerated in the 92nd section of 'The British North America Act, 1867,' and all other provisions of the said Act that extend and apply generally to the provinces of the Dominion of Canada, and that may be applicable to British Columbia, except as otherwise in these terms provided, to extend and apply to British Columbia, at and from the time of admission.

"14. Except as otherwise provided, all laws in force to British Columbia at the time of admission,

admission, and all courts of civil and criminal jurisdiction, and all legal commissions, powers and authorities, and all officers, judicial, administrative, and ministerial, existing therein at the time of admission, to continue in British Columbia as if such admission had not taken place; subject, nevertheless, to be repealed, abolished, or altered by the Parliament of Canada or by the Legislature of British Columbia, according to the authority of the said Parliament or of the said Legislature, under 'The British North America Act, 1867,' and any subsequent Imperial Act.

"15. Until the Parliament of Canada provides otherwise, all officers of British Columbia, at and from the time of admission, having duties to discharge in relation to matters other than those coming within the classes of subjects assigned by 'The North America Act, 1867,' to the provinces, to be officers of Canada."

The convention adjourned till 10 a.m., 15th September.

Pursuant to adjournment, the Convention met at 10 a.m. on the 15th.

Moved by Mr. Babbitt, seconded by Mr. Smith: That the reading of the minutes of yesterday be deferred.—Carried.

The secretary presented the Report of the Committee on Business, and asked leave to sit again.

Moved by Mr. De Cosmos and seconded by Mr. Robson: That report of Committee be received.—carried.

Moved by Mr. Barnard and seconded by Mr. Nelson: That the Convention go into committee of the whole to consider report of Business Committee.—Carried.

The chairman then appointed Dr. Brouse as chairman of the committee, and left the chair.

On the chairman resuming, Dr. Brouse reported the following resolutions:

"That this Convention further resolves and declares,—

"IV. That the people of British Columbia desire Representative Institutions with Responsible Government, and have the capacity to work those institutions successfully in the interest of the Colony; and that any representations that have been or that may be made to the contrary in England or elsewhere, would neither be in accordance with facts nor the views of the people of this Colony, the people being the best judges of their own affairs.

"V. That the establishment of Representative Institutions, without the simultaneous inauguration of Responsible Government, would be only a partial and very imperfect remedy for the evils produced by the present form of government; and that unless the Governor were required to govern in accordance with the advice and consent of an executive council holding seats in the Legislature, and commanding the confidence and support of a majority of the representatives of the people, there would never be that degree of harmony between the Executive and the representatives of the people that is essential to the successful working of the Government, and the rational contentment of the country.

"VI. That, whether admitted into the Dominion or not, the Legislature should consist of a Governor and one Chamber, called the Legislative Assembly: that the Members of the Assembly should be elected for a period of not more than four years: that the Sessions should be held annually: that members be paid their reasonable expenses for a period not exceeding 40 days in each Session. That the qualification for Members be as follows: Being a male British subject of full age, and possessing real or personal property, or both, of the value of 500 dollars. That the qualification of electors be as follows: 1. A male British subject or alien who has taken the oath of allegiance. 2. Residence in the Colony one year, and in the district in which the vote is cast, three months. 3. Possessed of real or personal property, or both, at the time of registration, to the value of 100 dollars. 4. Registered on the electoral roll of the district. That any male alien, who can read and write or speak the English language, and who has been five years in the Colony, and is possessed of real estate to the value of 100 dollars, and appears on the electoral roll, shall be entitled to vote.

"VII. That the Executive Council, as at present constituted, does not command public confidence nor represent the country in the Government, is irresponsible, or not accountable to the people for the administration of its respective departments, and under the present constitution of the Colony is but an echo of the Governor, and generally antagonistic to the well-being of the Colony, and that the substitution therefore of an executive council which holds office only while it commands the confidence and support of a majority of a representative legislature, would be hailed with delight by the country.

"VIII. That the nominative character and official elements of the Legislative Council render it unsuited to a Colony of free British subjects. That the Council may be composed of 23 members, or merely a quorum, as the Governor may decree. That the people have no right guaranteed to them by Statute or Order in Council by which they may send representatives to participate in the deliberations of the Council as they would have, were the Council a representative assembly, in the British sense of the term "representative," inasmuch as the election of a Member by the people does not insure him a seat in the Council. That the people have no constitutional power to pass good measures, nor to stop the passage of bad measures through the Council. That the Legislative Council violates a fundamental principle of the British constitution by imposing taxes on the people without representation.

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representation. That it disregards public opinion, and neglects public interests. That it consents to the maintenance in office of more officials than the country can afford, or the public service requires. That it concurs with the Executive in an extravagant civil list, adding annually to the public debt. That the non-representative character of the Council, the non-existence of a representative assembly, combined with mal-administration, have (by the discontent produced), a tendency to alienate the affections of the people from the Crown. That the officials, the paid servants of the public, rule the people with irresponsible authority, and that it is their interest to resist reform to retain office. That the officials, who form a majority of the Council, vote as the Executive intimates whenever required, and that, consequently, the majority of the Council has no real independence, is a sham legislature, the Governor and Executive Council being virtually the Legislature of the Colony. That the Legislative Council does not represent the people of British Columbia, and, from its nominative and dependent character, can never gain popular confidence and support, and will always be productive of popular discontent. That the people have no confidence in the Council, and will never be satisfied with the constitution of the Legislature till a representative assembly is established.

" IX. That one of the reasons why union between Vancouver Island and British Columbia was sought was that a supreme court of appeal for the whole Colony could be economically created. That the Colonies were united two years ago, and yet no appellate court has been inaugurated. That, as a consequence of the continued separate existence of the Supreme Courts of Vancouver Island and British Columbia, confidence in those courts respectively has been materially impaired. That it is the prevailing opinion that such continued separation of the courts, and non-inauguration of a supreme court of appeal, has been due to more consideration for the personal interests of the judges than for the general interests of justice throughout the Colony.

" X. That by appointing stipendiary magistrates and gold commissioners to seats in the Legislative Council, they are withdrawn from their respective districts for long continuous periods, leaving such districts without any competent authority to aid in the protection of life and property, and thereby virtually declaring that such officers are not required.

" XI. That the salary, allowances, and perquisites of the Governor (exceeding the sum of 20,000 dollars) are unreasonable, and ought to be reduced to a figure proportionate to the ability of the Colony, and the services rendered. That, in addition to the above salary and perquisites, there is an annual interest of six per cent. on 45,000 dollars, making the approximate cost of residence in Victoria, 2,700 dollars. That the salary of the Lieutenant Governor of the Province of Ontario, Canada, with a population of 1,500,000 is only 8,000 dollars per annum; and that there is no good reason why the salary of the Governor of this Colony should exceed 10,000 dollars per annum, with a residence. That if the Governor's salary be reduced to that amount, and the allowances, perquisites, and extra assistance of 500 dollars be abolished, there would be an annual saving in the Governor's department of about 10,000 dollars.

" XII. That the salary of the Colonial Secretary, 3,880 dollars per year, is too high and ought to be reduced to a sum not exceeding 3,000 dollars per annum, thereby saving 880 dollars. That one clerk in the Colonial Secretary's department, at a salary of 1,800 dollars, is sufficient to meet the requirements of the public service. That an assistant printer, at 600 dollars per annum, is unnecessary. That the total saving by these reductions, without impairing the efficiency of the public service would be 3,540 dollars.

" XIII. That the office of Lands and Works is maintained at a great annual expense, amounting in 1868, for a Chief Commissioner and three clerks, to 8,490 dollars, and in former years to a far larger sum. That the greatest ignorance prevails in the department as to the lands in Vancouver Island and on the mainland, although a land office has been kept open in the former place 17 years, and in the latter for 10 years. That nothing is done by the department to assist in the sale and settlement of the public lands, except recording a few pre-emptions in Vancouver Island, and on the mainland the pre-emptions are recorded by the magistrates. That a few parcels of public lands are leased for the purposes of trade, agriculture, lumbering, and mining, and the rents collected for the same. That instalments on lands sold or pre-empted are collected. That a few maps are made or extended occasionally. That the above includes the total services performed by this department pertaining to land, and could all be transacted by one clerk. That the public works carried on by the department are confined to repairing roads, constructing some small bridges, cutting out or keeping open a trail, or repairing or enlarging a public building, and are either performed by contract or by temporary service. That the entire public works, including map-making, could be well attended to by one competent civil engineer. That two competent clerks or civil engineers to perform all the above services efficiently and satisfactorily, could be had for 1,500 dollars each, and thus a saving could be made in the permanent expenditure of the department, amounting to 5,490 dollars. That by connecting this department with that of the Colonial Secretary, one civil engineer would be sufficient to transact all the business. That, therefore, for purposes of economy, it is expedient to abolish the office of Chief Commissioner of Lands and Works, and to reduce the permanent staff of the department to not more than two civil engineers, under the supervision of the Colonial Secretary.

" XIV. That the duties of the Treasury can be performed, under efficient checks, by two clerks;

clerks; that, therefore, one clerk should be discharged, thereby saving 1,200 dollars per annum.

“XV. That the auditor's department is too expensively conducted. That two competent clerks can efficiently audit the public accounts, at a salary not exceeding 1,800 dollars and 1,500 dollars respectively, thereby saving in this department 1,750 dollars.

“XVI. That the office of Registrar General of Titles, at Victoria, is almost a sinecure. That the incumbent draws a salary of 2,440 dollars per year for a service that notoriously does not occupy him more than one hour a day, yet the Government refuses to reduce the salary; on the contrary, has raised it 485 dollars in 1868, and persists in keeping the office separate, instead of amalgamating it with some other, and thereby utilising the services of the incumbent. That reports are industriously published by the Government that the office is self-paying and ought, therefore, to be continued. But that is effected by imposing a high tariff of charges for registering documents, and thereby the office is made self-paying at the expense of those who register. That by affixing a salary to this office proportionate to the labour performed, the tariff of charges for registration could be reduced four-fifths; that the labour employed in the service is not worth more than 500 dollars per annum. That, by an alteration of local Statutes (if necessary at all), so that the office may be amalgamated with that of Registrar of the Supreme Court, Victoria, the whole time of the incumbent might be employed; and, at a salary of 1,800 dollars per annum, there would be saved in this department 700 dollars, and in the Supreme Court 1,500 dollars, making a total saving of 2,200 dollars per annum. That the office of Registrar of Titles might be amalgamated with one of two other offices, yet retain all its efficiency and secure economy in the expenditure. That the continuance of this officer, at the present salary, is a glaring public wrong.

“XVII. That the office of stipendiary magistrate for New Westminster should be abolished, and that the duties should be discharged by the Registrar General of British Columbia, in addition to the duties of postmaster general.

“XVIII. That the office of harbour master should be amalgamated with that of the Customs department; that a saving would thereby be effected of 1,800 dollars, without any public injury.

“XIX. That the salary of the Attorney General should be 1,500 dollars with practice, and that he be allowed a clerk at 1,000 dollars per year.

“XX. That reform in the office of sheriff is essentially necessary, as it is virtually a sinecure, without proper securities being filed by the sheriff, in case of errors or losses in civil suits. That a division of the shrievalty into two or more shrievalties, the incumbents giving bonds in a suitable amount for the faithful performance of their duty, is required both for efficiency and security of the public. That the paying out of public moneys as a bonus to the sheriff, under present circumstances, is a wasteful and wanton expenditure.

“XXI. That the office of chief inspector of police is not required, and therefore ought to be abolished.”

Moved by Mr. De Cosmos, and seconded by Mr. McMillan: That the Report be received.—Carried.

Moved by Mr. De Cosmos, and seconded by Mr. McMillan: That the Report be adopted.—Carried.

[Adjourned till 11 a.m., 16th September 1868.]

Pursuant to adjournment, Convention met at 11 a.m., on the 16th September.

The Secretary then read the minutes of 14th inst.

Moved by Mr. De Cosmos, and seconded by Mr. Barnard: That the minutes of 14th inst., as read be adopted.—Carried.

The Secretary then read the minutes of the 15th inst.

Moved by Mr. Thompson, and seconded by Mr. McMillan: That the minutes of 15th inst., as read, be adopted.—Carried.

The Secretary then presented Report of Committee on Business, and asked leave to sit again.

Moved by Mr. De Cosmos, and seconded by Mr. Norris: That Report of Business Committee be received.—Carried.

The Convention then adjourned till two p.m.

Pursuant to adjournment, Convention met at two p.m.

Moved by Mr. Barnard, and seconded by Mr. Rose: That the Convention go into Committee of the whole, to consider the Report of the Committee on Business.

The Chairman then nominated Dr. Brouse as Chairman of Committee, and left the chair.

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On the chairman resuming, Dr. Brouse reported the following resolutions:—

“ XXII. That there is no public necessity for keeping five extra constables in Cariboo, at an annual expense of 3,500 dollars per year. That in the Lillooet-Clinton district a stipendiary magistrate is not required, thereby saving 2,400 dollars per annum. That at Nanaimo, a stipendiary magistrate is not required, and the duty of deputy collector of customs there, with that of postmaster could be performed satisfactorily for 1,000 dollars, saving thereby 1,000 dollars. That in Lillooet Clinton, and Nanaimo, honorary magistrates can discharge the duties of justice of the peace. That the retrenchment that might be made by the Executive under these heads is equal to 10,300 dollars per year.

“ XXIII. That the Supreme Court judges should discharge the duties of county court judges, holding court periodically in the different districts of the Colony.

“ XXIV. That the vote of 3 000 dollars in the Estimates for expenses of judge and registrar on circuit, on the mainland of the Colony, is exorbitant, and calls for revision.

“ XXV. That, including the reductions suggested, and others which might advantageously be adopted, a saving of about 60,000 dollars in the annual expenditure for civil establishments may be made, without impairing in the least degree the public service, or endangering in the least the securities for the preservation of life and property, or the maintenance of order throughout the Colony.

“ XXVI. That the people of British Colombia are willing to bear patiently the heavy financial burden imposed upon the country for the construction of public works, amounting to nearly 150,000 dollars annually; but they denounce the extravagant expenditure by which a deficit was created in 1866, amounting to about 170,000 dollars; and, in 1867, 130,000 dollars. That these deficits were effected in violation of the rule laid down by the Secretary of State for the Colonies, in a Despatch dated 30th April 1866, viz.: that the expenditure of the year must be reduced to such an amount as may be covered by the actual average receipts of the past two years; that the Estimates of 1868 violate this rule.

“ XXVII. That the system of dividing and sub-dividing the public service into departments, and placing such duties respectively in the hands of a single person, may be the proper mode to transact public business in a rich and populous country; but to a Colony such as British Columbia, where the population is very small, the financial resources proportionately limited, and the business to be transacted under each head but trifling, such a system is wholly unsuited, entailing too high an expenditure without increasing efficiency. That it is mainly by attempting to carry out this system, and by keeping too large a staff of officials at salaries disproportionate to the circumstances of the Colony, that the public expenditure is annually unnecessarily increased. That it is therefore to amalgamation of offices, reduction of the civil list, and lowering of salaries, that the people look for a reduction in the current expenditure for the support of establishments.

“ XXVIII. That the total population of British Columbia, exclusive of Indians, does not exceed 10,000; and that the number of Indians does not exceed 30,000. That the Indians, living chiefly by hunting and fishing, are not individually on the average large consumers of dutiable or taxable commodities. That the highest estimate that could be placed on the Indians as consumers is, that three Indians consume as much as one white or civilised person, and that, consequently, the total Indian population is only equal to 10,000 white consumers. That a more correct estimate would in all probability be that five Indians are equal to one white person, thereby making the total Indian inhabitants, as consumers, equal to 6,000 whites. That (taking the highest estimate of the Indians as consumers) the total number of consumers of dutiable and taxable commodities is 20,000. That in 1867, the revenue, without loans, was 475,250 dollars, and the average tax per head of the consumers 23 dollars 75 cents. That the expenditure, as reported to the Council as less than the actual expenditure was, in 1867, 560,159 dollars, or 28 dollars to each consumer. That out of the expenditure of 560,159 dollars in 1867, only 52,000 dollars were expended in public works. That the estimated revenue of 1868 is 576,000 dollars, or nearly 29 dollars to each consumer. That the estimated expenditure of 1868 is 572,553 dollars, or 28 dollars 60 cents to each consumer. That the total amount appropriated for public works out of the 572,553 dollars is 55,300 dollars. That out of the latter sum there has been about 12,000 dollars expended in unnecessary additions to the Governor's residence and the Land Office, whilst necessary improvements to roads and bridges, to advance the interests of farmers and settlement generally, are deferred. That the return made to the Legislative Council in 1868, by his Excellency the Governor, comparing the customs' tariffs of England, United States, Canada, and other colonies and countries is fallacious, if intended to show that British Colombia is not taxed higher than other countries. That the fallacy is apparent when it is observed that the average annual tax per head in Canada is only 3 dollars 50 cents, whilst the average tax to each consumer in British Columbia, in 1867, was 23 dollars 75 cents, and that proposed in 1868, is 29 dollars to each consumer. That home productions, other than gold, in this Colony are not so advanced as in the countries enumerated in the return, and that, consequently, there is a larger average consumption here of dutiable commodities, and a correspondingly higher tax paid by each consumer. That, with tariff, internal revenue dues, road tolls, &c., taxation is high and oppressive. That, after paying the interest and sinking fund on the public debt, nearly all the revenue is consumed non-productively. That retrenchment is therefore demanded by the united voice of the people of British Columbia.

“ XXIX. That

" XXIX. That it is the duty of the Executive to institute the most thorough retrenchment in the expenditure, and cause to be amended and repealed all statutes or ordinances that interfere with economy in the public service.

" XXX. That miners and capitalists during the last 10 years have been subject to the greatest inconvenience and delays in securing copper and silver bearing quartz veins, under such a tenure and with such facilities as would offer reasonable security for the investment of capital; that the non-existence of a general law on the subject, and the obstacles interposed by the Government, have tended to prevent the investment of capital in the country, and retarded the development of its mineral resources. That the enactment of a law under which a limited extent of any copper or silver-bearing quartz veins, free from royalties, onerous laws, and taxations, may be taken up and held by any one or more persons, under reasonable conditions of working, is absolutely essential to the investment of capital in such enterprises.

" XXXI. That religion, humanity, and public opinion demand that due and proper consideration be paid to the Indian population, with a view to their preservation, and the improvement of their moral, intellectual, and material condition. That beyond making reservations of land, Government has done nothing for them. That in many instances the Indian reserves are large and valuable tracts of agricultural land. That such lands, though situated in districts where they would be cultivated by settlers, remain unimproved by the Indians, except the occasional cultivation of a small patch. That settlers are prohibited occupying them. That such reserves are consequently neither properly utilised by the Indians nor by settlers. That it is incumbent, therefore, on the Government to establish such regulations as would utilise the Indian reserves, and appropriate the proceeds to the benefit of the Indians.

" XXXII. That the people of British Columbia, recognising the principle that it is the imperative duty of the State to provide for education, earnestly desire the immediate establishment of a national system of popular education, based upon broad non-sectarian principles, and that the non-existence of any recognised system of education applicable to the whole Colony, is discreditable to the Government.

" XXXIII. That while it is apparent to any disinterested person that retrenchment in the public service could be made by which about 60,000 dollars of the annual expenditure could be saved without impairing the efficiency of the public service, yet the Government persists in imposing road tolls on merchandise passing between Yale and Cariboo that amount to 60,000 dollars per annum. That the continuance of the road tolls, and the resistance offered to retrenchment by the Executive, are grave acts of misgovernment.

" XXXIV. That a reciprocal commercial treaty between the United States and England, by which the lumber, coal, fish, and other raw productions of British Columbia and the United States may be entered duty free for home consumption in the ports of the last-named countries respectively, would be a powerful stimulant to industry in this Colony. That it is, therefore, expedient to urge upon the attention of the local and Imperial Governments the desirability of taking immediate steps to secure such a commercial privilege, whilst the Reciprocity Treaty between Canada and the United States is under consideration.

" XXXV. That though there has always been a large staff of officials connected with the office of Lands and Works, and notwithstanding there are vast areas of good unoccupied agricultural and grazing lands in the Colony, the country but sparsely populated, the imports of agricultural produce and stock large, and the prices of agricultural productions highly remunerative, yet the Executive has never made any systematic and continuous effort to invite immigration, or induce people to engage in agriculture. That the apathy and indolence of the Government respecting the settlement of the public lands is therefore totally indefensible.

" XXXVI. That free grants of at least 320 acres of land ought to be offered to actual settlers upon the public lands, and that the Executive should spare no effort in inviting immigration and facilitating the settlement of the country.

" XXXVII. That the vote of the Legislative Council, refusing to pass an address to Her Majesty the Queen respecting the Confederation of this Colony with Canada, is not indorsed by the country; but is opposed to the well-understood wishes of the people of British Columbia.

" The Convention further resolved :

" 1. That an address be prepared and sent to Her Majesty the Queen, praying for the reforms enumerated in these resolutions.

" 2. That an address to the Governor General of Canada be prepared and transmitted, urging confederation on the terms proposed.

" 3. That an address be transmitted to his Excellency the Governor, accompanied by a copy of these resolutions, praying that the reforms therein contained may be initiated and perfected.

" 4. That a petition to the Imperial Parliament be prepared and circulated for signature
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throughout the Colony, and transmitted to some prominent Member of Parliament for presentation, accompanied by the resolutions of this Convention.

"5. That an Executive Committee be appointed, with full authority to call conventions, communicate with the Imperial, Canadian, and local Governments, to prepare and transmit the addresses and petitions above alluded to, and to take any measures they may deem expedient to secure the reforms enumerated in the resolutions of the Convention."

The following Committee was appointed to carry out the objects of the Convention:—Messrs. De Cosmos, McMillan, Wallace, and Norris, of Victoria; Havelock, of Yale; John Robson, of New Westminster; and F. J. Barnard.

Moved by Mr. Norris, and seconded by Mr. Robson: That the Report be received.—Carried.

Moved by Mr. Norris, and seconded by Mr. Robson: That the Report of Business Committee be adopted.—Carried.

Moved by Mr. Barnard, and seconded by Mr. Smith: That the following gentlemen be an Executive Committee in accordance with the 5th Resolution: Messrs. A. De Cosmos, R. Wallace, J. E. McMillan, J. G. Norris, John Robson, H. Havelock, and F. J. Barnard.

Moved by Mr. Norris, and seconded by Mr. Armstrong: That the thanks of the Convention be tendered to the steamboat owners and stage proprietor, and that the secretary be instructed to communicate the same.—Carried.

Three cheers were then proposed and given for the Queen.

Three cheers were then proposed and given for the Dominion.

Moved by Mr. Robson, and seconded by Mr. Barnard: That this Convention adjourn.—Carried.

(signed) *Robert Wallace*, Chairman.

Charles Evans } Secretaries.
Henry Havelock }

EXTRACT from the "Daily British Colonist" of the 22nd of September 1868.

A CARD.

Whereas certain persons, styling themselves delegates, from Victoria, have gone to what is termed a Convention, to be held at Yale, B. C., purporting to represent the opinions of the citizens of Victoria: We, whose names are hereunder signed, declare that such persons have not in any way received any authority to represent our opinions or desires:

J. S. Helmcken.	Sam O. Beeman.	A. Couves.	Eli Harrison.
David Leneveu.	D. Work.	Forest J. Alexander.	Barthw. Dooling.
James Steel.	Donald Moutray.	E. A. Whittenham.	A. W. Patterson,
Stuart & Co.	Wm. Leigh.	Charles James Prevost.	Thos. Storey.
Thos. Lett Stahlschmidt.	W. H. Franklyn.	William Denny.	Ninian Murray.
J. Robertson Stewart.	A. J. McDonnell.	William I. McDougal.	L. T. Hallett.
James Burns.	John O'Dwyer.	James Lannan.	F. Dultetride.
Henry Rhodes.	James Isbister.	Jno. J. Austin.	G. Beckingham.
Godfrey Brown.	Geo. Hardisty.	Joseph Graham.	Joseph Wilson.
A. R. Green.	W. R. Cuthbert.	William Newbury.	Henry C. Courtney.
Matthew T. Johnston.	Wm. Spring.	Henry Soar.	Geo. Hemingway.
Geo. Leggatt.	John McTeigh.	Samuel Partridge.	A. W. Piper.
J. C. Nicholson.	N. C. Bailey.	W. G. Lawson.	Rob. E. Jackson.
Dickson, Campbell &	W. H. Newton.	Wm. Geo. Jamieson.	T. H. Tye.
Co., per J. C. Nicholson.	F. Widdowson.	Wm. Rippon.	H. F. Heisterman.
Rodk. Finlayson.	Wm. Spencer.	Joseph Dwyer.	L. Davies.
C. W. R. Thomson.	R. B. Powell.	Charles Meloy.	W. H. McNeill.
James Lowe.	C. Hounslow.	Hugh Kennedy.	Henry Nathan, jun.
J. P. Davies.	John Spencer.	H. O. Tiedmann.	Thomas Chadwick.
Chas. A. Baron.	Thos. A. Williamson.	George Elvin.	Ld. Lowenburg.
Jessie Cowper.	A. Peele.	George Balls.	E. Read.
George Walker.	H. Gaston.	Leonard Stealy.	R. H. Adams.
Robt. L. Todd.	Chas. agden.	Henry Short.	J. W. Waitt.
Joseph Spratt.	Thomas Hunter.	Geo. Jaques.	Chas. L. Jones.
Charles S. Nicol.	Patk. McFarlane.	D. Dale.	A. Bunster.
J. Lloyd Fisher.	A. Gilmore.	Geo. Edwards.	John T. Howard.
John Russell.	John G. Taylor.	Chas. P. Pratt.	Graham Hankin.
H. Forman.	W. G. Bowman.	William Farron.	Claverie Deans.
Thos. Flewin.	Matthew Reynolds.	James Liddle.	F. Reynolds.
John Spence.	P. Everett.	William Thomson.	Fellows, Roscoe & Co.
Rout Harvey.	Theodore Davie.	H. Richardson.	W. C. Robinson.
J. D. Robinson.	Thos. Hodggers.	H. Luman.	Robert Bishop.
W. T. Livock.	Wm. Wilson.	Peter Walsh.	John C. Davie, M.R.C.S.
	John Stannard.	J. A. Phillips.	Thos. Wilsen.

Wm. Geo. Cox.	William Owens.	Thomas Carter.	Cornelius O'Neil.
D. Babington Ring.	J. Heywood.	Robert Burnaby.	James Andrews.
Samuel Harris.	Barend Rob.	E. Pimbury.	Cornelius Daly.
C. A. Bayley.	J. Kriemler.	H. L. Jones.	M. W. T. Drake.
Richd. H. Alexander.	P. Swigert.	Edward Watson.	Tho. S. Allatt.
H. Mansel.	Walter Sims.	L. Kamey.	Alfred Fellows.
A. McLean.	R. P. Whear.	A. J. Langley.	E. H. Jackson.
John Stevens.	Stanhope Farwell.	John Moore.	James Fell.
Charles L. Leggett.	H. B. Guerra.	Lewis Lewis.	Chas. E. Redfern.
Ed. Dickinson.	B. P. Griffin.	John Gilmore.	Alex. E. B. Davie.
G. Norris.	Edward Mallandaine.	T. J. Burnes.	N. I. Neustadt.
Wm. Harrison.	C. Richardson.	John Wagner.	Jno. C. Davie, jr. M.D.
Chas. F. Barnard, M.D.	H. E. Levey.	Owen Melloy.	John Swanson.
C. Moss.	J. Newbery.	W. T. Armstrong.	Thomas Pamphlet.
Wm. Wilson, Fort-st.	John Gilmore.	G. O. Graith.	John Crowther.
John Vaughan.	Wm. Whidbom.	Chas. H. Tretmot.	E. C. Holden.
James Wilcox.	Jas. Bower.	Chas. Bribon.	George Robinson.
C. W. North.	E. F. Billington.	G. Baker.	Arch. Turner.

Whereas certain persons, styling themselves delegates from Victoria, have gone to what is termed a Convention, held at Yale, B. C., purporting to represent the opinions of the citizens of Victoria: We, whose names are here undersigned, being Foreign residents in the city of Victoria, do declare that such persons have not in any way received any authority to represent our opinions or desires:

W. T. Welcker.	J. P. Fitere.	Peter McQuade.	Joe Pittrade.
Jules David.	F. Corbiniere.	J. A. McCrea.	Aron Oldenburg.
Emil Sutro.	F. Letlouis.	J. Morris.	W. J. Doane.
L. Wolff.	T. Mitchell.	L. Blum.	M. Fronum.
Thomas Wright.	Robert Lowenberg.	Louis Steimler.	H. W. Alexander.
S. L. Kelly.	Joseph Lovett.	M. H. Ahlenfeld.	Frank Sylvester.
John Bissell.	Thos. Geiger.	J. D. Johnson.	H. M. Cohen.
Chas. Allman.	John Becker.	J. Harnishfeger.	T. W. Fowlis.
D. Kaufman.	A. de Neuf.	Julius Seitz.	T. Eckstein.
Joseph Zay.	C. Lombard.	Wm. Kohl.	D. Evans.
Joseph Loewen.	H. Harris.	S. A. Spencer.	L. & J. Boscowitz.
Wm. Lohse.	John Weiler.	Gio Batta Garibaldi.	J. Rueff.
A. W. Lundbom.	David Shade.	J. E. Meyer.	Wm. P. Sawyard.
Louis Vigelius.	A. Rickman.	J. Stevens.	James Burns.
G. Promis.	A. F. Keyser.	O. Parsons.	Morris E. Dobrun, and
S. Anthony.	Henry Rudolph.	John Vogel.	others.
J. Grunbaum Bros.	Anten Vigelius.	George Pappenberger.	
J. Crossen.	F. Sehl.	John Wagner.	
Pierre Tissett.	A. Frankel.	Giacorno Bossi.	

EXTRACT from the "Daily Colonist" of the 23rd of September 1868.

A CARD.

Whereas certain persons, styling themselves delegates from Victoria, have gone to what is termed a Convention, to be held at Yale, B. C., purporting to represent the opinions of the citizens of Victoria: We, whose names are hereunder signed, declare that such persons have not in any way received any authority to represent our opinions or desires:

SUPPLEMENTAL.

W. K. Bull.	A. W. Barnett.	Philip Melmer.	John Goodacre.
Alex. Young.	P. McTiernan.	Donald McKenson.	Geo. Stevens.
J. R. Robertson.	Henry Glide.	William Reed.	John T. McQuorrie.
Wm. B. Townsend.	Richard Roberts.	Robt. Foster.	John Gestineau, C.E.
Doughty.	Richard Pritchard.	George Richardson.	Jos. Yorke.
Thomas Gorrie.	John A. Billing.	J. S. Drummond.	T. R. Mitchell.
William Harrison.	Benj. S. Marshall.	W. Marsh.	Jos. W. Carey.
George Winter.	John Winger.	Joseph Hilliard.	Thos. J. Smith.
William Seally.	Chas. Pardoe.	John Mathison.	E. Wilson.
George Harrison.	Solomon Bros.	R. T. Lawrence.	J. Doughty.
John Ash, M.D.	T. H. King.	Wm. P. Douglass.	R. Caselton.
Dr. Turner.	James S. Smith.	R. S. Byrn.	Tom Lamont.
R. Andrews.	Thos. Ball.	William Ettershank.	Thos. Theobald.
W. H. Huxtable.	A. M. Huntley.	George Lomas.	S. M. Hughes.
Robt. Plummer, junr.	Thomas Cavin.	Peter J. Leech.	Thos. Wm. Mills.
G. Williams.	Sam. Bridgman.	A. W. Davey.	Jno. Speld.
Arthur F. Ludlow.	Saml. E. King.	B. Sloman.	Stephen Whitley.
John Boyd.	Wm. Emery.	David Stephen.	George Thompson.
A. Richard.	Thos. W. Eastman.	John Bagnall.	John Sandsom.
Alex. Hay.	Thos. Conlan.	Jas. Johnston.	W. A. Franklin.

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E. C. White.
Philip Smith.
W. W. Houseman.
G. Barrett.
B. W. Savage.
J. Ramsay.

John Davis.
Robt. Jenkinson.
Thos. Sellers.
Richard Roberts.
Chas. Kent.
Richard Lewis.

Harry Butt.
John Anderson.
A. Yeosten.
T. Wallace.
Wm. Bick.
McFenirty.

Charles McClure.
William Peacock.
H. E. Newton.

— No. 7. —

No. 7.

Governor Seymour
to the Right Hon.
the Earl Granville,
K.G.

4 March 1869.

No. 45, of 14 May
1868, page 13.

No. 74, of 28 July
1868, page 14.

No. 125, of 30 Nov.
1868, page 16.

Resolution.
17 February 1869.

(No. 26.)

COPY of a DESPATCH from Governor *Seymour* to the Right Honourable
the Earl *Granville*, K.G.

Victoria, 4 March 1869.

(Received 24 April 1869.)

(Answered, No. 30, 6 May 1869, page 29.)

My Lord,

WITH reference to my Despatches noted in the margin respecting the possibility
of the union of this Colony with the Dominion of Canada, I have now the honour
to forward copy of a Resolution passed by the Legislative Council on 17th
February antagonistic to the immediate consummation of such a measure.

I have, &c.

(signed) *Frederick Seymour*.

Enclosure in No. 7.

Enclosure in No. 7.

RESOLUTION of Legislative Council, of 17 February 1869.

Resolved, "That this Council impressed with the conviction that, under existing circum-
stances, the confederation of this Colony with the Dominion of Canada would be undesirable,
even if practicable, urges Her Majesty's Government not to take any decisive steps towards
the present consummation of such union."

(signed) *William A. G. Young*,
Presiding Member.

Despatches from the Secretary of State.

— No. 1. —

(No. 87.)

No. 1.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor
Seymour.

19 Nov. 1867

* Page 11.

† Page 12.

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos*
to Governor *Seymour*.

Sir,

Downing-street, 19 November 1867.

I HAVE the honour to acknowledge the receipt of your two Despatches, No.
126,* and Separate,† of the 24th September, the first inclosing copy of a resolution
passed by the Legislative Council in favour of negotiations being entered into
for the union of British Columbia with the Eastern Provinces of North America;
the second containing your remarks upon the subject.

Whatever might be the advantages which in course of time might result from
the union of British North America under one government, it appears to me that
the consideration of that question must at all events await the time when the
intervening territory now under the control of the Hudson Bay Company shall
have been incorporated with the Confederation.

I have, &c.

(signed) *Buckingham and Chandos*.

WITH THE DOMINION OF CANADA.

29

— No. 2. —

(No. 47.)

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos* to Governor *Seymour*.

Sir,

Downing-street, 11 July 1868.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 45,* of the 14th of May, forwarding a copy of a resolution passed by the Legislative Council of British Columbia during its recent session, on the subject of union with the Dominion of Canada.

Copies of your Despatch and of its enclosures have been forwarded for the information of the Governor of Canada.

I have, &c.
(signed) *Buckingham and Chandos*.

BRITISH
COLUMBIA.

No. 2.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor
Seymour.

11 July 1868.

* Page 13.

— No. 3. —

(No. 75.)

COPY of a DESPATCH from his Grace the Duke of *Buckingham and Chandos* to Governor *Seymour*.

Sir,

Downing-street, 19 September 1868.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 74,† of the 28th July, enclosing copy of a motion made in the Legislative Council of British Columbia by Mr. De Cosmos, in favour of an Address to Her Majesty on the subject of confederation with the Dominion of Canada.

A copy of your Despatch and of its enclosure has been forwarded to Lord Monck.

I have, &c.
(signed) *Buckingham and Chandos*.

No. 3.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor
Seymour.

19 Sept. 1868.

† Page 14.

— No. 4. —

(No. 10.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor *Seymour*.

Sir,

Downing-street, 4 February 1869.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 125,‡ of the 30th November, enclosing a letter addressed to you by certain delegates from a convention held at Yale, inclosing copies of Resolution and an Address on the subject of the admission of British Columbia into the Dominion of Canada, the desirability of immediately establishing Representative Institutions, with Responsible Government, in the Colony, and the necessity for retrenchment in the public expenditure.

Your Despatch also incloses what appear to be certain advertisements signed by persons in Victoria, who declare that those delegates have not in any way received authority to represent their opinions or desires.

I am, &c.
(signed) *Granville*.

No. 4.

Earl Granville,
K.G., to Governor
Seymour.

4 Feb. 1869.

‡ Page 16.

— No. 5. —

(No. 30.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor *Seymour*.

Sir,

Downing-street, 6 May 1869.

I HAVE the honour to acknowledge the receipt of your Despatch (No. 26)§ of the 4th March, enclosing copy of a Resolution passed by the Legislative Council of

No. 5.

Earl Granville,
K.G., to Governor
Seymour.

6 May 1869.

§ Page 28.

BRITISH
COLUMBIA

of British Columbia adverse to the immediate union of the Colony with the Dominion of Canada.

A copy of that Resolution has been forwarded to Sir John Young.

I have, &c.
(signed) *Granville.*

— No. 6. —

(No. 84.)

No. 6.

Earl Granville,
K.G., to Governor
Musgrave.
14 August 1869.

COPY of a DESPATCH from the Earl *Granville*, K.G., to Governor *Musgrave*.

Sir,

Downing-street, 14 August 1869.

IN my Despatch of the 17th June, in which I communicated to you your appointment to the government of British Columbia, I informed you that I should probably have occasion to address you on the question, then in agitation, of the incorporation of that Colony with the Dominion of Canada.

You are aware that Her Majesty's Government have hitherto declined to entertain this question, mainly because it could not arise practically till the territory of the Hudson's Bay Company was annexed to the Dominion, but also, perhaps, in the expectation that the public opinion of British Columbia might have opportunity to form and declare itself.

I have now to inform you that the terms on which Rupert's Land and the North West Territory are to be united to Canada, have been agreed to by the parties concerned, and that the Queen will probably be advised before long to issue an Order in Council which will incorporate, in the Dominion of Canada, the whole of the British Possessions on the North American Continent, except the then contiguous Colony of British Columbia.

The question, therefore, presents itself whether this single Colony should be excluded from the great body politic which is thus forming itself. On this question the Colony itself does not appear to be unanimous. But as far as I can judge from the Despatches which have reached me, I should conjecture that the prevailing opinion was in favour of union. I have no hesitation in stating that such is also the opinion of Her Majesty's Government.

They believe that a Legislature selected from an extended area, and representing a diversity of interests, is likely to deal more comprehensively with large questions, more impartially with small questions, and more conclusively with both, than is possible when controversies are carried on and decided upon in the comparatively narrow circle in which they arise—questions of purely local interest will be more carefully and dispassionately considered when disengaged from the larger politics of the country, and at the same time will be more sagaciously considered by persons who have had this larger political education. Finally, they anticipate that the interest of every Province of British North America will be more advanced by enabling the wealth, credit, and intelligence of the whole to be brought to bear on every part, than by encouraging each in the contracted policy of taking care of itself, possibly at the expense of its neighbour. Most especially is this true in the case of internal transit. It is evident that the establishment of a British line of communication between the Atlantic and Pacific Oceans is far more feasible by the operations of a single Government responsible for the progress of both shores of the Continent, than by a bargain negotiated between separate—perhaps in some respects rival—Governments and Legislatures. The San Francisco of British North America would, under these circumstances, hold a greater commercial and political position than would be attainable by the capital of the isolated Colony of British Columbia. Her Majesty's Government are aware that the distance between Ottawa and Victoria presents a real difficulty in the way of immediate union. But that very difficulty will not be without its advantage if it renders easy communication indispensable, and forces onwards the operations which are to complete it. In any case it is an understood inconvenience, and a diminishing one, and it appears far better to accept it as a temporary drawback on the advantages of union, than to wait for those obstacles, often more intractable, which are sure to spring up after a neglected opportunity.

The constitutional connexion of Her Majesty's Government with the Colony of British Columbia is, as yet, closer than with any other part of North America; and

and they are bound, on an occasion like the present, to give, for the consideration of the community and the guidance of Her Majesty's servants, a more unreserved expression of their wishes and judgment than might be elsewhere fitting.

You will, therefore, give publicity to this Despatch, a copy of which I have communicated to the Governor General of Canada; and you will hold yourself authorised, either in communication with Sir John Young, or otherwise, to take such steps as you properly and constitutionally can for promoting the favourable consideration of this question.

It will not escape you, that in acquainting you with the general views of the Government, I have avoided all matters of detail, on which the wishes of the people and the Legislature will of course be declared in due time. I think it necessary, however, to observe that the constitution of British Columbia will oblige the Governor to enter personally upon many questions—as the condition of Indian tribes and the future position of Government servants, with which, in the case of a negotiation between two Responsible Governments, he would not be bound to concern himself.

I have, &c.
(signed) *Granville.*

BRITISH
COLUMBIA.

BRITISH COLUMBIA, &c.

P A P E R S

ON THE

UNION OF BRITISH COLUMBIA

WITH THE

DOMINION OF CANADA.

(*Sir Harry Verney.*)

*Ordered, by The House of Commons, to be Printed,
3 August 1869.*

390.

Under 4 oz.

CANADA (RUPERT'S LAND).

RETURN to an Address of the Honourable The House of Commons,
dated 5 August 1869;—for,

“COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the Government of the Canadian Dominion, and the Hudson's Bay Company, relating to the Surrender of RUPERT'S LAND by the Hudson's Bay Company, and for the Admission thereof into the Dominion of *Canada*.”

Colonial Office, }
11 August 1869. }

W. MONSELL.

(*Mr. Monk.*)

Ordered, by The House of Commons, to be Printed,
11 August 1869.

SCHEDULE.

DESPATCHES FROM THE GOVERNOR.

No. in Series.	Number and Date.	SUBJECT.	Page.
		(VISCOUNT MONCK.)	
1	21 December 1867 (No. 107.)	Transmits Address to Her Majesty from Senate and House of Commons of Canada, praying for Order in Council to annex Rupert's Land to the Dominion of Canada.	1
2	1 January 1868 - (No. 1.)	Transmits Minutes of Council, with Resolutions of both Houses, respecting proposed Annexation of Rupert's Land and North West Territory to the Dominion.	2
3	Telegram (received 10 Sept. 1868).	Desires to send over Delegates to negotiate with Hudson's Bay Company for transfer of Territory.	4
4	Telegram (received 14 Sept. 1868).	Delegates do not wish to leave Canada till last week in November - - -	4
5	Telegram (received 18 Sept. 1868).	Delegates will leave for England on 7th October - - - - -	4
		(RIGHT HON. SIR J. YOUNG.)	
6	Telegram (received 23 Sept. 1868).	Delegates to sail on 3rd October, and will be due in England about the 13th -	5
7	2 October 1868 - (No. 182.)	Transmits copies of Minutes appointing Sir G. E. Cartier and the Honourable W. M'Dougall as Delegates respecting the transfer of the Hudson's Bay Territory to the Dominion.	5
8	4 June 1869 - (No. 60.)	Transmits Address to Her Majesty, and other documents, on the subject of the transfer of the Hudson's Bay Territory.	6
9	Telegram (received 19 June 1869).	Asks leave of Hudson's Bay authorities to survey lands before actual transfer -	9
10	2 July 1869 - (No. 73.)	Transmits Messages of Governor General to Parliament during last Session, and Reports by Sir G. E. Cartier and Hon. W. M'Dougall.	10

DESPATCHES FROM THE SECRETARY OF STATE.

		(DUKE OF BUCKINGHAM AND CHANDOS.)	
1	18 January 1868 - (No. 16.)	Decision of Her Majesty's Government will be communicated as early as possible respecting the Annexation of Rupert's Land.	12
2	23 April 1868 - (No. 76.)	Willingness of Her Majesty's Government to recommend compliance with Address praying for proposed Act of Parliament.	12
3	8 August 1868 - (No. 173.)	Transmits Act of Parliament for transfer of Hudson's Bay Territory - -	13
4	Telegram, 17 September 1868.	Inability to defer negotiations with Hudson's Bay Company - - - -	13
		(THE EARL GRANVILLE.)	
5	10 April 1869 - (No. 64.)	Transmits Resolution of Hudson's Bay Company for surrender of their rights -	14
6	25 June 1869 - (No. 122.)	No objection by Company to commencement of Survey of Hudson's Bay lands -	15
7	10 August 1869 - (No. 157.)	Encloses copy of Telegram of same date, announcing the passing of the Rupert's Land Loan Act.	15

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND THE HUDSON'S
BAY COMPANY.

No. in Series.	From whom.	Date.	S U B J E C T.	Page.
1	Hudson's Bay Company	15 Jan. 1868	Submits views on the proposal by Canadian Government for admission of Rupert's Land into the Dominion.	16
2	Colonial Office - -	18 Jan. 1868	Transmits Address to Her Majesty from the Senate and Commons of Canada, praying for union of Rupert's Land and North West Territory with the Dominion.	17
3	Colonial Office - -	18 Jan. 1868	Proceedings of the Canadian Parliament on the subject of Hudson's Bay Company. Acknowledges Letter of 15th instant, which will receive consideration.	17
4	Hudson's Bay Company	25 Jan. 1868	Observations on the Address of the Canadian Government to the Queen on the subject of transfer.	17
5	Colonial Office - -	23 April 1868	Compliance of Her Majesty's Government with wish of Canadian Parliament for the union of Rupert's Land and North West Territory with Canada.	22
6	Hudson's Bay Company	24 April 1868	Acknowledges Letter of 23rd instant, and states that Lord Kimberley has been elected Governor of the Company.	22
7	Hudson's Bay Company	13 May 1868	Views on the subject of the terms of surrender of Rupert's Land and North West Territory.	22
8	Colonial Office - -	7 Aug. 1868	Certain terms in the Bill passed for surrender of territory to the Crown cannot be agreed to.	25
9	Hudson's Bay Company	16 Aug. 1868	Will shortly communicate with the Duke of Buckingham as to interview with Secretary of State.	25
10	Hudson's Bay Company	27 Oct. 1868	Modification of terms regarding proposed transfer to which the Company are prepared to agree.	25
11	Colonial Office - -	1 Dec. 1868	Terms on which Her Majesty's Government will be prepared to conclude an arrangement for transfer and submit it to the Canadian Government.	27
12	Hudson's Bay Company	10 Dec. 1868	Acknowledges Colonial Office Letter of 1st instant, and states that its contents will be considered without delay.	30
13	Hudson's Bay Company	22 Dec. 1868	States that the consideration of the Colonial Office Letter of 1st instant is postponed until election of a new Governor.	31
14	Hudson's Bay Company	22 Dec. 1868	Encloses extracts of Letters received from Governor Mactavish, intimating the intention of the Canadian Commissioner for Public Works to construct a road from Fort Garry to the Lake of the Woods, through the territory of the Company.	31
15	Colonial Office - -	4 Jan. 1869	Requests that no delay may take place in answering the proposals contained in Mr. Adderley's Letter of 1st instant.	32
16	Hudson's Bay Company	13 Jan. 1869	Submits explanations of proposals for ceding territory -	32
17	Colonial Office - -	28 Jan. 1869	Acknowledges Letter of the 22nd December. States that a copy of it has been forwarded to Sir George Cartier and Mr. M'Dougall for any explanation it may be in their power to afford respecting the proceedings of the Canadian Government respecting the formation of a road.	35
18	Hudson's Bay Company	2 Feb. 1869	Acknowledges the above. Their objection is not to the roads being made, but to its being undertaken by the Canadian Government, as a matter of right, when negotiations are still in progress for the transfer of the Company's possessions to Canada.	35
19	Colonial Office - -	22 Feb. 1869	Transmits copy of a Letter from Sir G. E. Cartier and Mr. M'Dougall relative to the differences between the Hudson's Bay Company and the Canadian Government on the subject of the surrender.	37
20	Hudson's Bay Company	26 Feb. 1869	Submits replies in reference to counter-proposals of Sir G. Cartier and Mr. M'Dougall on the subject of the terms of surrender.	38
21	Colonial Office - -	9 Mar. 1869	Proposed terms of transfer to Canada of the Company's jurisdiction and territorial rights.	40

No. in Series.	From whom.	Date.	S U B J E C T.	Page.
22	Hudson's Bay Company	22 Mar. 1869	Will recommend to a general meeting for adoption by the Company the proposal of Secretary of State.	42
23	Colonial Office - -	24 Mar. 1869	With reference to the payment of salary of Bishop of Rupert's Land in event of transfer.	46
24	Colonial Office - -	3 April 1869	Transmits Correspondence with Delegates relative to the surrender of rights.	46
25	Hudson's Bay Company	10 April 1869	Resolution of meeting acceding to Secretary of State's proposal.	47
26	Colonial Office - -	17 April 1869	Acknowledges acceptance of terms of transfer - - -	47
27	Colonial Office - -	19 June 1869	Transmits Telegram from Governor asking permission to commence survey.	47
28	Colonial Office - -	6 Aug. 1869	Transmits protest of Mr. Stewart against surrender of territory.	48
29	Hudson's Bay Company	9 Aug. 1869	Acknowledges receipt of Mr. Stewart's protest against the surrender of the Hudson's Bay Territory.	49

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND SIR G. CARTIER
AND MR. M'DOUGALL (DELEGATES).

1	Colonial Office - -	30 Dec. 1868	Transmits Letter from the Hudson's Bay Company relating to some steps taken under the authority of the Canadian Government, from which they apprehend some invasion of their territorial rights. Requests explanation of the steps taken by the Canadian Government.	50
2	Delegates - - -	16 Jan. 1869	In reply to the above, and affords the explanations required.	50
3	Colonial Office - -	18 Jan. 1869	Transmits copy of answer of the Company to proposal made for cession of Hudson's Bay Company's territorial rights.	52
4	Delegates - - -	9 Feb. 1869	Submits views on the Question of the proposed cession of Hudson's Bay Territory.	52
5	Colonial Office - -	9 Mar. 1869	Transmits copy of terms proposed to the Hudson's Bay Company for transfer of their rights.	63
6	Delegates - - -	27 Mar. 1869	Regrets inability to await the Company's decision as to transfer of North West Territory, public duties requiring an immediate return to Canada.	64

A P P E N D I C E S.

Appendix I.—Clause 146 of the British North America Act, 1867	- - - - -	65
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Hudson's Bay Company, 14 March 1864	- - - - -	70
Colonial Office, 5 April 1864	- - - - -	72
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Colonial Office, 6 June 1864	- - - - -	74
Hudson's Bay Company, 7 December 1864	- - - - -	75
Colonial Office, 23 January 1867	- - - - -	76

COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the Government of the Canadian Dominion, and the Hudson's Bay Company, relating to the Surrender of RUPERT'S LAND by the Hudson's Bay Company, and for the Admission thereof into the Dominion of *Canada*.

Correspondence between the Governor General and Secretary of State.

DESPATCHES FROM THE GOVERNOR GENERAL.

— No. 1. —

(No. 107.)

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Buckingham and Chandos*.

Ottawa, 21 December 1867.

(Received, 6th January 1868.)

(Answered, No. 16, 18th January 1868, page 12.)

(Further answered, No. 76, 23rd April 1868, page 12.)

My Lord Duke,

I HAVE the honour to transmit a joint Address to Her Majesty the Queen, from the Senate and House of Commons of the Dominion of Canada, praying that Her Majesty will be graciously pleased to direct that an Order in Council may be passed in conformity with the provisions of the 146th section of the British North America Act, 1867, for annexing to the Dominion of Canada the Territory of Rupert's Land and the Red River Settlement

I have the honour to request that your Grace will lay this Address at the foot of the Throne.

I have, &c.
(signed) *Monck*.

No. 1.
Governor General
Viscount Monck
to his Grace the
Duke of Bucking-
ham and Chandos.
21 December 1867.

Enclosure in No. 1.

To the Queen's Most Excellent Majesty.

Enclosure in No. 1.

Most Gracious Sovereign,

WE, your Majesty's most dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada, in Parliament assembled, humbly approach your Majesty, for the purpose of representing :

That it would promote the prosperity of the Canadian people, and conduce to the advantage of the whole Empire if the Dominion of Canada, constituted under the provisions of the British North America Act of 1867, were extended westward to the shores of the Pacific Ocean ;

That the colonization of the fertile lands of the Saskatchewan, the Assiniboine, and the Red River districts, the development of the mineral wealth which abounds in the regions of the North West, and the extension of commercial intercourse through the British possessions in America from the Atlantic to the Pacific, are alike dependent upon the establishment of a stable Government for the maintenance of law and order in the North Western Territories ;

That the welfare of a sparse and widely-scattered population of British subjects of European origin, already inhabiting these remote and unorganised territories, would be materially

materially enhanced by the formation therein of political institutions bearing analogy, as far as circumstances will admit, to those which exist in the several Provinces of this Dominion;

That the 146th section of the British North American Act of 1867 provides for the admission of Rupert's Land and the North Western Territory, or either of them, into union with Canada, upon the terms and conditions to be expressed in Addresses from the Houses of Parliament of this Dominion to your Majesty, and which shall be approved of by your Majesty in Council;

That we do therefore most humbly pray that your Majesty will be graciously pleased, by and with the advice of your Most Honourable Privy Council, to unite Rupert's Land and the North Western Territory with this Dominion, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government; and we most humbly beg to express to your Majesty that we are willing to assume the duties and obligations of Government and legislation as regards those territories;

That in the event of your Majesty's Government agreeing to transfer to Canada the jurisdiction and control over the said region, the Government and Parliament of Canada will be ready to provide that the legal rights of any corporation, company, or individual within the same shall be respected, and placed under the protection of courts of competent jurisdiction;

And furthermore, that upon the transference of the territories in question to the Canadian Government, the claims of the Indian tribes to compensation for lands required for purposes of settlement, will be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the aborigines.

All which we humbly pray your Majesty to take into your Majesty's most gracious and favourable consideration.

The Senate.
Tuesday, 17th December 1867. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Monday, 16th December 1867. }

(signed) *James Cockburn,*
Speaker.

— No. 2. —

(No. 1.)

No. 2.
Governor General
Viscount Monck
to his Grace the
Duke of Bucking-
ham and Chandos.
1 January 1868.

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Buckingham and Chandos*.

Government House, Ottawa, Canada,
1 January 1868.

(Received 16 January 1868.)

* Page 1.

My Lord Duke,

REFERRING to my Despatch, No. 107,* of 21st December 1867, I have the honour to transmit to your Grace an approved Minute of the Privy Council of Canada, together with the Resolutions of both Houses, and the proceedings upon them respecting the proposed annexation of Prince Rupert's Land and the North West Territory to the Dominion of Canada.

I desire especially to call your Grace's attention to the eighth Resolution, adopted by both Houses, and which was not incorporated in the Address to Her Majesty.

If Her Majesty's Government should approve of the proposed incorporation with Canada of this territory on the terms contained in the Address to the Queen, and these Resolutions, it would be of great advantage to my Government if I could be informed of the decision, by telegraph, in order that all necessary steps may be taken for carrying the arrangement into effect.

I have, &c.
(signed) *Monck.*

Enclosure 1, in No. 2.

Encl. 1, in No. 2. COPY of a REPORT of a Committee of the Honourable the Privy Council, dated 28th December 1867, approved by His Excellency the Governor General.

THE Committee have had under consideration the annexed Memorandum from the Honourable the Minister of Public Works, submitting for your Excellency in Council certain recommendations on the subject of the negotiation with the Imperial Government for

PAPERS RELATING TO RUPERT'S LAND.

3

for the transfer of Rupert's Land and the North West Territory to Canada, and they respectfully advise that a copy of the same, when approved by your Excellency, be forwarded to his Grace the Secretary of State for the Colonies, as embodying the views of the Canadian Government on that important question.

Certified.

(signed) *Wm. H. Lee*, Clerk to the Privy Council.

THE undersigned has the honour to submit for the consideration of your Excellency in Council the following recommendations on the subject of the negotiation with the Imperial Government for the transfer of Rupert's Land and the North West Territory to Canada:—

1. That in addition to the joint Address of both Houses on the subject, your Excellency will be pleased to transmit to the Secretary of State for the Colonies, the Resolutions as they were finally adopted by the House of Commons and the Senate, with the votes and proceedings of both Houses thereon.

2. That the attention of his Grace the Duke of Buckingham be specially called to the eighth Resolution, which was not embodied in the Address, and was not intended by the Canadian Parliament to express a term or condition of the Order in Council authorised by the 146th section of the British North America Act.

3. That your Excellency will be pleased to express to his Grace, as the opinion of the Canadian Government, that it is highly expedient that the transfer which the Imperial Parliament has authorised, and the Canadian Parliament approved, should not be delayed by negotiations or correspondence with private or third parties, whose position, opinions, and claims have heretofore embarrassed both Governments in dealing with this question.

4. That in the opinion of the Canadian Government the terms of the Address cannot be materially altered or extended without causing injurious delay, and greatly embarrassing the people and Government of Canada in their efforts to open communication with the Territory, to encourage emigration and settlement, to establish law and order, and to provide for the speedy organisation of municipal and local governments therein.

5. That recent proposals in the Congress of the United States in reference to British America, the rapid advance of mining and agricultural settlements westward, and the avowed policy of the Washington Government to acquire territory from other Powers, by purchase or otherwise, admonish us that not a day is to be lost in determining and publishing to the world our policy in regard to these territories.

6. That your Excellency will be pleased to request his Grace to inform your Excellency by Atlantic cable (if the information can be so communicated) whether the Imperial Cabinet will at once advise Her Majesty to approve of the transfer on the terms of the Address, in order that the Canadian Government may be prepared to submit appropriate measures on the subject on the reassembling of Parliament in March next.

Respectfully submitted,

28 December 1867.

(signed) *Wm. Mc Dougall*.

Enclosure 2, in No. 2.

RESOLUTIONS for the Incorporation of Rupert's Land and the North-Western Territory with Canada. Encl. 2, in No. 2.

The Honourable Mr. *Fergusson Blair*, seconded by the Honourable Mr. *Campbell*.

1. THAT it would promote the prosperity of the Canadian people, and conduce to the advantage of the whole Empire, if the Dominion of Canada, constituted under the provisions of the British North America Act of 1867, were extended westward, to the shores of the Pacific Ocean.

2. That the colonisation of the fertile lands of the Saskatchewan, the Assiniboine, and the Red River districts, the development of the mineral wealth which abounds in the regions of the North-West, and the extension of commercial intercourse through the British Possessions in America from the Atlantic to the Pacific, are alike dependent upon the establishment of a stable government, for the maintenance of law and order in the North Western Territories.

3. That the welfare of a sparse and widely-scattered population of British subjects of European origin already inhabiting these remote and unorganised territories, would be materially enhanced, by the formation therein of political institutions bearing analogy, so far as circumstances would admit, to those which exist in the several Provinces of this Dominion.

440.

4. That

4. That the 146th section of the British North America Act, of 1867, provides for the admission of Rupert's Land and the North Western Territory, or either of them, into Union with Canada, upon terms and conditions to be expressed on Address from the House of Parliament of this Dominion to Her Majesty, and which shall be approved of by the Queen in Council.

5. That it is accordingly expedient to address Her Majesty that she would be graciously pleased, by and with the advice of Her Most Honourable Privy Council, to unite Rupert's Land and the North Western Territory with the Dominion of Canada, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government, and expressing the willingness of Canada to assume the duties and obligations of government and legislation.

6. That in the event of the Imperial Government agreeing to transfer to Canada the jurisdiction and control over this region, it would be expedient to provide that the legal rights of any corporation, company, or individual shall be respected and placed under the protection of courts of competent jurisdiction.

7. Than upon the transference of the territories in question to the Canadian Government the claims of the Indian tribes to compensation for lands required for purposes of settlement, would be considered and settled in conformity with the equitable principles which have uniformly governed the Crown in its dealings with the aborigines.

8. *Resolved* also, That in case any negotiation between the Canadian Government and the Hudson's Bay Company, for the termination of the rights of the latter entered into in accordance with the Despatch of the 17th June 1865, from the then Secretary of State for the Colonies to his Excellency the Governor General, should result in an agreement between them, it is hereby declared that such agreement must be submitted to, and sanctioned by the Parliament of Canada before the same shall have any force or effect whatever.

— No. 3. —

TELEGRAM—(Received 10 September 1868.)

No. 3.
Governor General
Viscount Monck
to the Duke of
Buckingham,
9 September 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

9 September 1868.

PRIVY Council wish to send a delegation to London to take part in treating with Hudson's Bay Company; they are anxious that negotiations with Company should be postponed till arrival of delegates in England. Please inform me, by cable, how soon you will be ready to receive them; they are prepared to go immediately.

— No. 4. —

TELEGRAM—(Received 14 September 1868.)

No. 4.
Governor General
Viscount Monck
to the Duke of
Buckingham,
14 Sept. 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

14 September 1868.

I FIND now that, for reasons connected with the public service, delegates do not wish to leave Canada till first week in November. Will this suit you?

— No. 5. —

TELEGRAM—(Received 18 September 1868.)

No. 5.
Governor General
Viscount Monck
to the Duke of
Buckingham,
18 Sept. 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

18 September 1868.

IN consequence of your last message delegates will leave for England the 7th October.

PAPERS RELATING TO RUPERT'S LAND.

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— No. 6. —

TELEGRAM.—(Received 23 September 1868.)

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

22 September 1868.

DELEGATES intend to sail from hence October 3rd; they trust nothing will be concluded before their arrival in England, where they will be due about the 13th.

No. 6.

Governor General
Viscount Monck
to the Duke of
Buckingham.
22 Sept. 1868.

— No. 7. —

(No. 182.)

COPY of a DESPATCH from Governor General Viscount *Monck* to His Grace the Duke of *Buckingham and Chandos*.

Quebec, Canada, 2 October 1868.
(Received, 21 October 1868.)

My Lord Duke,

I HAVE the honour to transmit two copies of approved Minutes of the Privy Council of Canada appointing the Honourable Sir George E. Cartier, Baronet, Minister of Militia and Defence, and the Honourable W. M'Dougall, c.b., Minister of Public Works, a delegation from that body, to take part in the negotiations now pending between Her Majesty's Government and the Hudson's Bay Company, with a view to the annexation of the territory now held by the Company to the Dominion of Canada.

I have, &c.
(signed) *Monck*.

No. 7.

Governor General
Viscount Monck to
his Grace the Duke
of Buckingham
and Chandos.
2 October 1868.

1 October 1868.
1 October 1868.

Enclosure 1, in No. 7.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st October 1868.

Encl. 1, in No. 7.

THE Committee have had under consideration a Memorandum, dated 30th September inst., from the Honourable Sir George E. Cartier, Bart., and the Honourable William M'Dougall, stating that they have received communication of the Minute in Council appointing them a delegation to England to arrange with the Imperial Government the terms upon which Canada may acquire Rupert's Land, and expressing their readiness to accept that mission.

They, however, bring under the notice of the Government the terms of the recent Act of the Imperial Parliament to enable Her Majesty "to accept a surrender upon terms of the lands, privileges, and rights" of the Hudson's Bay Company, which declares that "Rupert's Land," for the purposes of that Act, "shall include the whole of the lands and territories held or claimed to be held" by the Company.

They also call your Excellency's attention to the terms of the British North America Act, which provides for the admission of Rupert's Land and the North West Territory, or either of them, into the union; and they recommended that they be authorised to arrange with the Imperial Government for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as may be found practicable and expedient.

The Committee advise that the authority requested by the delegates be granted, and that a copy of this Minute, if approved by your Excellency, be transmitted to his Grace the Secretary of State for the Colonies.

(Certified.) *W. H. Lee*, Clerk Privy Council.

Enclosure 2, in No. 7.

encl. 2, in No. 7. COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st October 1868.

IN view of the great importance of the immediate settlement of the Hudson's Bay question, and in consequence of the passage by the Imperial Parliament of the Act 31 & 32 Vict. c. 105, and in accordance with the Despatch of his Grace the Secretary of State, No. 173, and dated 8th August 1868, the Committee of Council advise that a delegation proceed to England composed, of the Honourable Sir G. E. Cartier and the Honourable William M'Dougall, for the purpose of arranging terms for the acquisition by Canada of Rupert's Land, such terms to be subject to the approbation of the Governor in Council.

(Certified.) W. H. Lee, Clerk Privy Council.

— No. 8. —

(No. 60.)

No. 8.
Right Hon. Sir
John Young, Bart.,
to Earl Granville,
K.G.
4 June 1869.

COPY of a DESPATCH from the Right Honourable Sir John Young, Bart., G.C. M.G., to the Earl Granville, K.G.

Ottawa, 4 June 1869.
(Received, 17 June 1869.)

My Lord,

AT the instance of the Ministers, I beg to forward the enclosed Humble Address to Her Majesty, and other documents, with regard to the Hudson's Bay Territory, which have been handed to me at the last moment before the departure of the mail.

2. The Ministers consider the matter one of great urgency. I have no time to make any comments on the subject, but the points of moment are stated in the accompanying Memorandum, to which I invite your Lordship's attention.

The Memorandum was drawn up by the Honourable A. Campbell, the Government leader in the Upper House.

I have, &c.
(signed) John Young.

Enclosure in No. 8.

(Translation.)

Enclosure in No. 8.

To the Queen's Most Excellent Majesty.

Most Gracious Sovereign,

WE, your Majesty's most dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada, in Parliament assembled, humbly approach your Majesty for the purpose of representing,

That during the first Session of the first Parliament of this Dominion, we adopted an address to your Majesty, praying that your Majesty would be graciously pleased, by and with the advice of your Majesty's Most Honourable Privy Council, under the provisions of the 146th section of "The British North America Act, 1867," and on the terms specified in that Address, to unite Rupert's Land and the North-West Territory with this Dominion, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government, and assuring your Majesty of the willingness of the Parliament of Canada to assume the duties and obligations of government and legislation as regards those territories.

That our joint Address was duly laid at the foot of the Throne; and that your Majesty, by Despatch from the Right Honourable the Secretary of State for the Colonies to the Governor General of Canada, under date of 23rd April 1868, signified your Majesty's willingness to comply with the prayer of the said Address, but that your Majesty was advised that the requisite powers of government and legislation could not consistently, with the existing Charter of the Hudson's Bay Company, be transferred to Canada, without an Act of Parliament, which Act was subsequently passed by the Imperial Parliament, and received your Majesty's Assent on the 31st July 1868.

That by a Despatch, dated 8th August 1868, from the Right Honourable the Secretary of State for the Colonies, the Governor General was informed, that in pursuance of the powers conferred by the Act for the surrender of the Hudson's Bay Territories to your Majesty, he proposed

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proposed to enter into negotiations with the Company as to the terms of such surrender; whereupon, under authority of an order of the Governor General in Council of the 1st October 1868, the Honourable Sir George E. Cartier, Baronet, and the Honourable William M'Dougall, C.B., were appointed a delegation to England, to arrange the terms for the acquisition by Canada of Rupert's Land; and by another Order in Council of the same date, were authorised to arrange for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as might be found practicable and expedient.

That the delegates proceeded on their mission to England, and entered into negotiations with his Grace the Duke of Buckingham and Chandos, then Secretary of State for the Colonies; and afterwards with the Right Honourable Earl Granville, his successor in office, for the acquisition by Canada of the territorial and other rights claimed by the Hudson's Bay Company in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia. That terms of agreement were conditionally assented to by the delegates on behalf of the Dominion, and on their return to Canada were submitted, with a report, dated 8th May 1869, which was approved by his Excellency the Governor General in Council, on the 14th day of the same month.

That we humbly deem it expedient to accept the transfer of the territorial and other rights of the Hudson's Bay Company in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia, on the terms conditionally agreed to on behalf of the Government of Canada by the Honourable Sir George E. Cartier, Baronet, and the Honourable William M'Dougall, C.B.; and on behalf of the Hudson's Bay Company, by Sir Stafford H. Northcote, Governor of that Company, and approved by his Excellency in Council as aforesaid, which terms are set forth in a letter from Sir Frederic Rogers, under Secretary of State for the Colonies, of the 9th March 1869, communicated to the delegates by direction of Earl Granville; and in two subsequent Memorandums, dated respectively 22nd and 29th March 1869, containing a modification of such terms, and are in the words and figures following:

TERMS as stated in the LETTER from Sir *Frederic Rogers*, of 9th March 1869.

1. The Hudson's Bay Company to surrender to Her Majesty all the rights of government property, &c., in Rupert's Land, which are specified in 31 & 32 Vict. c. 105, s. 4; and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.

2. Canada is to pay to the Company 300,000*l.* when Rupert's Land is transferred to the Dominion of Canada.

3. The Company may, within 12 months of the surrender, select a block of land adjoining each of its stations, within the limits specified in Article 1.

4. The size of the blocks is not to exceed acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

5. So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

6. The Hudson's Bay Company may for 50 years after the surrender, claim in any township or district within the Fertile Belt in which land is set out for settlement, grants of land not exceeding 1-20th part of the land so set out. The blocks so granted to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses, not exceeding an acre.

7. For the purpose of the present agreement, the Fertile Belt is to be bounded as follows: on the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods, and the waters connecting them.

8. All titles to land up to the 8th March 1869, conferred by the Company, are to be confirmed.

9. The Company is to be at liberty to carry on its trade without hindrance in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any import duty on goods introduced by them previous to the surrender.

10. Canada is to take over the materials of the electric telegraph at cost price, such price including transport, but not including interest for money, and subject to a deduction for ascertained deteriorations.

11. The Company's claim to land under agreement of Messrs. Vankoughnet & Hopkins to be withdrawn.

12. The details of this arrangement, including the filling up the blanks in Articles 4 and 6, to be settled at once by mutual agreement.

MEMORANDUM.

DETAILS of AGREEMENT between the Delegates of the Government of the Dominion and the Directors of the Hudson's Bay Company.

1. It is understood that in surrendering to Her Majesty all the rights, &c. of the Company in any part of British North America not comprised in Rupert's Land, Canada, or British Columbia, the Company are to retain the posts they actually occupy in the North West Territory.
2. It is understood that it will be a sufficient act of selection under Article 3, that the Company should, within 12 months, name the number of acres which they will require adjoining each post. The actual survey to be proceeded with, with all convenient speed.
3. It is understood that in the Red River Settlement the size of the blocks to be retained round Upper Fort Garry shall not exceed (10) acres; and that round Lower Fort Garry shall not exceed (300) acres.
4. It is understood that a list of the stations round which the Company will require blocks of land, with the size of the blocks they will require, shall be made out forthwith, and communicated to the Canadian Ministers.
5. It is understood that Article 5 shall be construed to mean that the blocks shall front the river or road, by which means of access are provided, and shall be approximately in the form of parallelograms, of which the frontage shall not be more than half the depth.
6. It is understood that the Company may defer the exercise of their right of claiming their proportion of each township for not more than 10 years after it is set out, but their claim must be limited to an allotment from the lands remaining unsold at the time they declare their intention to make it.
7. It is understood that the blank in Article 6. shall be filled up with eight cents. (Canadian).
8. It is understood that any claims of Indians to compensation for lands required for purposes of settlement shall be disposed of by the Canadian Government in communication with the Imperial Government, and that the Company shall be relieved of all responsibility in respect of them.

22 March 1869.

Stafford H. Northcote.
G. E. Cartier.
W. M. Dougall.

MEMORANDUM of a further AGREEMENT between Sir *Geo. E. Cartier* and Sir *Stafford Northcote*.

INASMUCH as the northern branch of the Saskatchewan River is the northern boundary of the Fertile Belt, and therefore any land on the northern bank is not within the territory of which the Company are to have one-twentieth part, it is understood that in forming the townships abutting on the northern bank the Company shall be at liberty to take their one-twentieth of any such townships, giving up to the Canadian Dominion an equal quantity of the portion of lands coming to them of townships established on the southern bank.

It is understood that the townships on the northern bank shall not, for the above purpose, extend more than five miles inland from the river. It is understood that in laying out any public roads, canals, &c., through any block of land reserved to the Company, the Canadian Government may take, without compensation, such land as is necessary for the purpose, not exceeding one twenty-fifth of the total acreage of the block, but if the Canadian Government require any land which is actually under cultivation, or which has been built upon, or which is necessary for giving the Company's servants access to any river or lake, or as a frontage to any river or lake, they shall pay the Company the fair value of the same, and shall make compensation for any injury done to the company or their servants.

It is understood that the whole of the land to be appropriated within the meaning of the last preceding clause shall be appropriated for public purposes.

London, 29 March 1869.

Geo. E. Cartier.
Stafford H. Northcote.

That we learn with satisfaction, by letter from the Under Secretary of State for the Colonies of the 9th March last, that in fulfilment of the expectations held out in Mr. Cardwell's Despatch of 17th June 1865, your Majesty's Government will be prepared to propose to Parliament that the Imperial guarantee be given to a loan of 300,000 £, the amount which is proposed to be paid over by Canada on the transfer of the Company's rights.

That

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That upon the transference of the territories in question to the Canadian Government it will be our duty to make adequate provision for the protection of the Indian tribes, whose interests and well-being are involved in the transfer; and we authorise and empower the Governor in Council to arrange any details that may be necessary to carry out the terms and conditions of the above agreement.

We therefore most humbly pray that your Majesty will be graciously pleased, by and with the advice of your most honourable Privy Council, under the 146th clause of "The British North America Act, 1867," and the provisions of the Imperial Act, 31 & 32 Vict. c. 105, to unite Rupert's Land on the terms and conditions expressed in the foregoing resolutions, and also to unite the North Western Territory with the Dominion of Canada, as prayed for by and on the terms and conditions contained in our joint address, adopted during the first Session of the first Parliament of this Dominion, and hereinbefore referred to.

The Senate,
Monday, 31st May 1869. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Ottawa, 29th May 1869. }

(signed) *James Cockburn,*
Speaker.

MEMORANDUM by the Honourable *Alexander Campbell.*

1. To draw attention to the concluding paragraph of section 3, chapter 105, 31 & 32 Vict., which requires an Order in Council admitting the newly-acquired territory, under the name of Rupert's Land, into the Dominion of Canada within one month of the acceptance of the terms by Her Majesty.

2. To ask that the acceptance of the terms by the Government and Parliament of Canada be signified by the Secretary of State for the Colonies to the Hudson's Bay Company, as required by the resolution of the Company communicated to Sir Frederic Rogers in Sir Stafford Northcote's letter of the 10th of April 1869.

3. To move Her Majesty's Government to take steps during the present Session of Parliament to procure authority to give the guarantee of the Imperial Government for the sum to be paid by Canada to the company.

To His Excellency the Right Honourable Sir *John Young*, Bart., one of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor General of Canada, &c. &c. &c.

May it please your Excellency,

WE, Her Majesty's dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada in Parliament assembled, beg leave to approach your Excellency with our respectful request that you will be pleased to transmit our joint address to Her Majesty, praying that Her Majesty will be graciously pleased by and with the advice of Her Most Honourable Privy Council under the 146th clause of "The British North America Act, 1867," and the provisions of the Imperial Act, 31 & 32 Vict. c. 105, to unite Rupert's Land on the terms and conditions expressed in the Resolutions on which the said Address is founded, and also to unite the North Western Territory with the Dominion of Canada, as prayed for, by and on the terms and conditions contained in the joint Address of the Senate and Commons of Canada, adopted during the first Session of the first Parliament of Canada, in such a way as to your Excellency may seem fit, in order that the same may be laid at the foot of the Throne.

The Senate,
Monday, 31st May 1869. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Tuesday, 1st June 1869. }

(signed) *James Cockburn,*
Speaker.

— No. 9. —

TELEGRAM.—(Received 19 June 1869.)

From the Right Honourable Sir *John Young*, Bart., G.C.M.G., to the
Earl *Granville*, K.G., London.

19 June 1869.

PLEASE ask Hudson Bay authorities on behalf of Canadian Government for leave to survey lands for settlement before actual transfer, so as not to lose season. Explanation by post.

No. 9.
Right Hon. Sir
J. Young, Bart.,
to Earl *Granville*.
19 June 1869.

— No. 10. —

(No. 73.)

No. 10.
Governor General
Sir J. Young, Bart.,
to Earl Granville,
K.G.

2 July 1869.

COPY of a DESPATCH from Governor General the Right Honourable Sir
John Young, Bart., G.C.M.G., to the Earl *Granville, K.G.*

Government House, Ottawa,
2 July 1869.

(Received, 14 July 1869.)

My Lord,

At the request of the Ministers, I have the honour to transmit, for your Lordship's information, copies of the messages sent by me to Parliament during last Session, conveying the reports and representations and correspondence of the Honourable Sir George E. Cartier, Bart., and the Honourable William M'Dougall, C.B., who were appointed delegates by the Canadian Government, to confer with Her Majesty's Government on a variety of subjects.

The stay of the delegates in England was extended over several months from autumn of last, to the spring of this year.

I have, &c.
(signed) *John Young.*

Enclosure in No. 10.

Enclosure in No. 10.

RUPERT'S LAND AND THE NORTH-WEST TERRITORY.

MESSAGE.

John Young,

THE Governor General transmits, for the consideration of the House of Commons, the Report of the Delegates appointed to negotiate for the acquisition of Rupert's Land and the North West Territory.

Government House, Ottawa,
17 May 1869.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by
His Excellency the Governor General in Council, on 14th May 1869.

THE Committee have had under consideration the accompanying Report and Correspondence of the delegates appointed, by Orders in Council, of 1st October last, to proceed to England to negotiate the terms for the acquisition by Canada of Rupert's Land and the North West Territory, and they humbly advise that the said Report, and the terms agreed upon, as set forth in the said Report and Correspondence, be approved by your Excellency and submitted for the consideration and sanction of Parliament.

(Certified.)

the Hon. the Secretary of State,
&c. &c. &c.

Wm. H. Lee,
Clerk, P.C.

REPORT.

To His Excellency the Right Honourable Sir *John Young, Bart., G.C.B., G.C.M.G.*,
Governor General of Canada.

May it please your Excellency,

WE have the honour to submit for your Excellency's consideration the following report of our negotiations with Her Majesty's Imperial Government for the transfer to the Dominion of Canada of Rupert's Land and the North Western Territory.

Under the authority of an Order in Council of the 1st October 1868, we were appointed a delegation to England to arrange the "terms for the acquisition by Canada of Rupert's Land," and by another Order in Council of the same date, we were authorised to arrange "for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as may be found practicable and expedient." We proceeded at once to execute the important mission confided to us, and on presenting ourselves at the Colonial Office, were invited by his Grace the Duke of Buckingham and Chandos, then Secretary of State for the Colonies, to visit him at Stowe, for the purpose of discussing freely and fully the numerous and difficult questions which were involved in the transfer of these

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these great territories to Canada. We found that his Grace had already made some progress in the preliminaries of a negotiation (under the Act 31 & 32 Vict. c. 105) with the Hudson's Bay Company for the surrender to Her Majesty of the territorial and political rights which they claimed in Rupert's Land. We objected very earnestly to some of the demands of the Company which were communicated to us by his Grace; but after much consideration and important modifications of the Company's demands, we agreed that if they would surrender the territory on the conditions which his Grace proposed, we would recommend the acceptance of these conditions by the Canadian Government.

The Duke of Buckingham's proposals will be found in the letter of Mr. Adderley, of the 1st December 1868, addressed to the Governor of the Hudson's Bay Company.

Considerable delay in the negotiations was occasioned by the retirement from office of the Duke of Buckingham and his colleagues, and also by the resignation of Lord Kimberley, the then Governor of the Company.

On the 18th January 1869, Earl Granville, who had acceded to office as Secretary of State for the Colonies, transmitted to us the reply of the Company, declining the proposals of the Duke of Buckingham. His Lordship subsequently requested us to communicate to him any observations which we might desire to offer upon this reply of the Company, and upon certain counter proposals which it contained. We felt reluctant, as representatives of Canada, to engage in a controversy with the Company concerning matters of fact, as well as questions of law and policy, while the negotiations with them was being carried on by the Imperial Government in its own name and of its own authority. But we did not feel at liberty to decline Lord Granville's request, and on the 8th of February, stated at length our views upon the various points raised in the letter of Sir Stafford Northcote, the new Governor of the Company, in answer to the proposals of the Duke of Buckingham. We beg to refer your Excellency to the correspondence, for full information as to the positions taken and the opinions expressed by us at this stage of the negotiation.

Lord Granville, being of opinion that the rejection by the Company of the proposals of his predecessor had terminated the negotiations instituted by him, submitted for our consideration proposals of his own, based on a different principle from that which had been laid down by the Duke of Buckingham.

We felt it our duty to state to his Lordship, that these proposals would not be acceptable to the Canadian Government. They were subsequently modified, and in the form in which they appear in the letter of Sir Frederic Rogers of the 9th March, were conditionally accepted by us, subject to the approval of your Excellency in Council.

Certain details were left by Lord Granville to be settled between the representatives of the Company and ourselves, which led to interviews and discussions with them, and to a correspondence which is also submitted herewith.

During the progress of the negotiations, a formal complaint was made to the Colonial Secretary by the representatives of the Company against the Canadian Government for undertaking the construction of a road between Lake of the Woods and the Red River Settlement, without having first obtained the consent of the Company. The letter conveying this complaint was referred to us by Earl Granville for such explanations as we were able to offer. The correspondence on this subject is also respectfully submitted.

Your Excellency is aware that since our return to Canada, the Hudson's Bay Company have signified to Lord Granville their acceptance of the terms proposed by him for the surrender to Her Majesty of their territorial rights in Rupert's Land. We have, therefore, the honour to submit the same, with a memorandum of the "details" agreed to by us on behalf of the Canadian Government, for the approval of your Excellency, and for such action thereupon as your Excellency may be advised to take.

All of which is respectfully submitted.

Ottawa, 8 May 1869.

(signed)

Geo. E. Cartier.
Wm. M. Dougall.

DESPATCHES FROM THE SECRETARY OF STATE.

— No. 1. —

(No. 16.)

No. 1.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor Ge-
neral Viscount
Monck.

18 January 1868.
* Page 1.

† Page 2.

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord,

Downing-street, 18 January 1868.

I HAVE received your Despatch, No. 107,* of the 21st of December, accompanied by an Address to Her Majesty from both Houses of the Canadian Parliament, proposing the annexation of Prince Rupert's Land and the North West Territory to the Dominion of Canada. I have also received your Lordship's subsequent Despatch, No. 1,† of the 1st of January, enclosing Resolutions adopted by the two Houses, on the same subject, and an approved Minute of the Privy Council.

These proceedings will receive the early and serious attention of Her Majesty's Confidential Advisers.

The decision of Her Majesty's Government will be communicated as early as possible, but the consideration by them of so important a subject will necessarily occupy a short time.

I have, &c.

(signed) *Buckingham and Chandos.*

— No. 2. —

(No. 76.)

No. 2.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor Ge-
neral Viscount
Monck.

23 April 1868.
‡ Page 1.

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord,

Downing-street, 23 April 1868.

I HAVE already acknowledged, on the 18th of January, your Lordship's Despatch, No. 107,‡ of the 21st of December, transmitting a joint Address from the Senate and House of Commons of Canada, to Her Majesty, praying the annexation to Canada of Rupert's Land and the North West Territory. Your Lordship will have the goodness to inform the Senate and House of Commons that their Address has been duly laid before the Queen.

Her Majesty's Government will be willing to recommend a compliance with the prayer of the Address so soon as they shall be empowered to do so with a just regard to the rights and interests of Her Majesty's subjects interested in those territories. They are advised, however, that the requisite powers of Government and legislation cannot, consistently with the existing Charter of the Hudson's Bay Company, be transferred to Canada without an Act of Parliament. Before such an Act can be obtained, it is necessary to consider the position of the Hudson's Bay Company.

The Company have held their Charter, and exercised privileges conferred by it, for 200 years, including rights of government and legislation, together with the property of all the lands and precious metals; and various eminent law officers, consulted in succession, have all declared that the validity of this Charter cannot justly be disputed by the Crown.

I have, on behalf of Her Majesty's Government, called upon the Company to state the terms on which they would be prepared to surrender to the Crown whatever rights they have over the lands and precious metals, including the rights of government, with the intimation that no present payment in money will be made to them, but that in the transference of their rights to Canada they might have a reservation made to them of defined portions of land, and of a share

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a share of the future proceeds of the lands and precious metals of the territory, up to a certain fixed amount.

I enclose copies of the letters which have passed, up to the present time, between the Company and this Department, upon this subject.

I purpose to introduce a Bill into the Imperial Parliament, with the view of authorising any arrangement which may be effected on the basis thus indicated; of defining the territory over which it extends, and authorising the subsequent transfer to the Canadian Government of the rights and powers to be acquired by the Crown in respect to Government and property, in accordance with the prayer of the Address.

Hudson's Bay Com-
pany, 16 Jan. 1868,
page 16.
Hudson's Bay Com-
pany, 25 Jan. 1868,
page 17.
Colonial Office,
18 Jan. 1868, page 17.
Colonial Office,
23 April 1868, page 22.

With respect to the North West Territory, the same obstacles do not exist to the transfer of the greater part by the Crown to Canada at the present time, subject to proper reservations of the rights and property of Her Majesty's subjects now settled therein, and for the protection of Her Majesty's Native subjects; but I apprehend that while it remains separated from Canada by the Hudson's Bay Company's territory, still under the Company's government, it will not be the desire of Canada to undertake the government of this more remote country. A portion of the North West Territory immediately adjacent to British Columbia, I am of opinion that it will be necessary for the public advantage to retain in the possession of the Crown, with a view to its incorporation with British Columbia.

I have, &c.
(signed) *Buckingham and Chandos.*

— No. 3. —

(No. 173.)

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord,

Downing-street, 8 August 1868.

I HAVE the honour to transmit to you, for your Lordship's information, the enclosed copy of an Act* of Parliament conferring powers for the surrender to Her Majesty, by the Hudson's Bay Company, of their territories and privileges.

In pursuance of the powers conferred by this Act, I propose to enter into negotiations with the Hudson's Bay Company as to the terms on which they will surrender their rights, and shall not fail to keep your Lordship informed of the course of such negotiations.

I have, &c.
(signed) *Buckingham and Chandos.*

No. 3.
His Grace the
Duke of Bucking-
ham and Chandos
to Governor
General Viscount
Monck.
8 August 1868.

* Imperial Act,
31 & 32 Vict.
c. 105.
Clause 146 of this
Act is printed as
Appendix I., p. 65.

— No. 4. —

TELEGRAM from His Grace the Duke of *Buckingham and Chandos* to Viscount *Monck*.

17 September 1868.

I SHOULD have preferred an earlier date. I cannot defer negotiations with Hudson's Bay Company, but probably the settlement of terms will occupy some time.

No. 4.
His Grace the
Duke of Bucking-
ham and Chandos
to Viscount
Monck.
17 Sept. 1868.

— No. 5. —

(No. 64.)

No. 5.
Earl Granville,
K.G., to the Right
Hon. Sir John
Young, Bart.
10 April 1869.

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *John Young*, Bart., G.C.M.G.

Sir,

Downing-street, 10 April 1869.

THE proprietors of the Hudson's Bay Company have considered, at a special meeting, the terms on which they have been invited to transfer their territorial rights to the Dominion of Canada, and I enclose the copy of a letter addressed to me by Sir S. Northcote, from which you will perceive that these terms have been acceded to.

Hudson's Bay Com-
pany, 10 April 1869,
page 47.

You will observe that the Governor and Committee of the Company are authorised to concur in all such measures as may be found necessary for effecting this transfer, and for securing to the Company all the rights and reservations to which they will be entitled, provided that the acceptance of the terms by the Government and Parliament of Canada is duly signified to them within six months.

I trust that this acceptance may be confidently anticipated, and that by it an opening will be made for extending the benefits of a regular Government to those British subjects who at present occupy the Company's territory, for settling the tracts of fertile land which lie in the centre of the Continent, and for the consolidation of British North America under one Central Government.

On one point, which has not been hitherto touched upon, I am anxious to express to you the expectations of Her Majesty's Government. They believe that whatever may have been the policy of the Company, and the effect of their chartered right upon the progress of settlement, the Indian tribes, who form the existing population of this part of America, have profited by the Company's rule. They have been protected from some of the vices of civilisation; they have been taught, to some appreciable extent, to respect the laws and rely on the justice of the white man, and they do not appear to have suffered from any causes of extinction beyond those which are inseparable from their habits and their climate. I am sure that your Government will not forget the care which is due to those who must soon be exposed to new dangers, and, in the course of settlement, be dispossessed of the lands which they are used to enjoy as their own, or be confined within unwontedly narrow limits.

This question had not escaped my notice while framing the proposals which I laid before the Canadian Delegates and the Governor of the Hudson's Bay Company. I did not, however, then allude to it, because I felt the difficulty of insisting on any definite conditions without the possibility of foreseeing the circumstances under which these conditions would be applied, and because it appeared to me wiser and more expedient to rely on the sense of duty and responsibility belonging to the Government and people of such a country as Canada. That Government, I believe, has never sought to evade its obligations to those whose uncertain rights and rude means of living are contracted by the advance of civilised man. I am sure that they will not do so in the present case, but that the old inhabitants of the country will be treated with such forethought and consideration as may preserve them from the dangers of the approaching change, and satisfy them of the friendly interest which their new governors feel in their welfare.

With the expression of this hope, I will close my Despatch, merely repeating my sincere desire that the annexation of this great territory may be speedily accomplished, and may bring to the Dominion all the advantages which the statesmen of Canada not unreasonably anticipate.

I have, &c.
(signed) *Granville*.

PAPERS RELATING TO RUPERT'S LAND.

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— No. 6. —

(No. 122.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *John Young*, Bart., G.C.M.G.

No. 6.
Earl *Granville*,
K.G., to the Right
Hon. Sir *John*
Young, Bart.
25 June 1869.

Sir,

Downing-street, 25 June 1869.

WITH reference to your telegram of the 19th instant,* I have to inform you that the Governor of the Hudson's Bay Company, to whom I forwarded a copy of it, has stated that the Company have no objection to offer to the immediate commencement of the survey of lands for settlement.

* Page 9.

I have, &c.
(signed) *Granville*.

— No. 7. —

(No. 157.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *J. Young*, Bart., G.C.M.G.

No. 7.
Earl *Granville*,
K.G., to the Right
Hon. Sir *J. Young*,
Bart., G.C.M.G.
10 August 1869.

Sir,

Downing-street, 10 August 1869.

I SENT on the 10th instant, at 5.50 p.m., a telegraphic Despatch to you in the following words:—

"Canada (Rupert's Land) Loan Bill passed to-day. Copy shall be sent. Acquaint Mr. Rose."

I have, &c.
(signed) *Granville*.

Correspondence between the Hudson's Bay Company and the Colonial Office.

— No 1. —

No. 1.

Right Hon. Sir E.
Head, Bart., K.C.B.,
to His Grace the
Duke of Buck-
ingham and Chan-
dos.

15 Jan. 1868.

COPY of a LETTER from the Right Hon. Sir E. Head, Bart., K.C.B., to His
Grace the Duke of *Buckingham and Chandos*.

Hudson's Bay House, London,
15 January 1868.

My Lord Duke,

IN addressing this letter to your Grace on behalf of the Committee of the Hudson's Bay Company, I think that some apology is necessary for anticipating the official communication from the Colonial Office, of the resolutions passed in the Parliament of Canada, as well as the Address to be founded upon them; but as from the tone of the debate in the Canadian Parliament, and from the terms of the resolutions passed there, it is manifestly the object of that Parliament to have the power to establish in the Dominion of Canada, including the territory of Rupert's Land, courts which shall have jurisdiction in all matters arising in any part of British North America, and thus to give power to the tribunals so constituted, to determine upon the rights claimed by this Company under their Charter, a course of proceeding which this Committee consider to be so injurious to the interests of the Hudson's Bay Company, they are desirous to bring the matter before your Grace, and to submit their views upon the subject to Her Majesty's Government, before any assent is given, or determination come to, in reference to Her Majesty's approval of the proposed admission of Rupert's Land into the Union of British North America.

I beg to remind your Grace that the rights of this Company under their Charter have at various times been brought under the consideration of the Government, and that the result of those discussions has been a clear and distinct recognition, on the part of the Crown, that the general validity of the Charter cannot now be called in question, and in particular that the territorial ownership of the lands granted by the Charter, and the rights necessarily incidental thereto, must now be considered as valid.

It is true that questions have from time to time been raised in Canada as to the extent of the territory claimed by this Company under their Charter, and in some respects as to other rights which the Charter confers; but while Her Majesty's Government have at all times declined to be any party to proceedings on the subject, the opportunity has always been afforded to the authorities of Canada to bring any questions for adjudication before Her Majesty in Council — a course to which this Company have always been prepared to accede, and which appears to be the only legitimate mode of deciding their rights, if they are to be called in question.

The Canadians have altogether abstained from availing themselves of the opportunity thus afforded them, but it is now obviously the object of the Canadian Legislature to secure to tribunals of their own nomination the decision of those rights.

I may here state that, so far as the mere political powers granted by the Charter are concerned, such as the rights of government, taxation, or exclusive administration of justice, the Company have long since expressed their willingness that these powers should be vested in officers deriving their authority directly from the Crown; but before any such powers can with justice be transferred to the Colonial Government, I submit that the extent of the territorial rights of the Company should either be fully recognised, or that if the Canadian Government are desirous of procuring those rights for the benefit of Canada in general, they should, in the first instance, arrange with the Hudson's Bay Company the terms upon which they should be so acquired.

But should the Canadian Legislature still desire that any judicial investigation into the territorial rights of the Company should take place, such inquiry should

be

PAPERS RELATING TO RUPERT'S LAND.

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be referred to the Judicial Committee of the Privy Council, in accordance with the opinion of the Law Officers of the Crown, given so long ago as July 1857, as the only tribunal to which ought to be delegated the construction of a Charter emanating from the Sovereign of Great Britain. This opinion your Grace will find at page 404 of the Report from the Select Committee on the Hudson's Bay Company, ordered, by the House of Commons, to be printed the 31st July and 11th August 1857.

I have, &c.
(signed) *Edmund Head*, Governor.

— No. 2. —

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Hon. Sir *E. Head*, Bart., K.C.B.

No. 2.
T. F. Elliot,
Esq., to the Right
Hon. Sir *E. Head*,
Bart., K.C.B.
18 January 1868.

No. 107, 21 Dec.
1867, page 1.

Sir,
Downing-street, 18 January 1868.
I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the information of the Committee of the Hudson's Bay Company, a copy of a Despatch which has been received from the Governor General of Canada, accompanied by a copy of the Address to Her Majesty from the Senate and Commons of Canada, praying that steps may be taken for uniting Rupert's Land and the North West Territory with the Dominion of Canada.

I have, &c.
(signed) *T. Frederick Elliot*.

— No. 3. —

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Hon. Sir *E. Head*, Bart., K.C.B.

No. 3.
T. F. Elliot, Esq.,
to the Right Hon.
Sir *E. Head*, Bart.
K.C.B.
18 January 1868.
* Page 16.

Sir,
Downing-street, 18 January 1868.
I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your letter of the 15th instant,* relative to the proceedings of the Canadian Parliament on the subject of the Hudson's Bay Company. I am desired to state that the subject of this letter will not fail to receive the careful consideration of Her Majesty's Government.

I have, &c.
(signed) *T. Frederick Elliot*.

— No. 4. —

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to His Grace the Duke of *Buckingham and Chandos*.

No. 4.
Right Hon. Sir
E. Head, Bart.,
K.C.B., to His
Grace the Duke
of *Buckingham*
and *Chandos*.
25 January 1868.

Hudson's Bay House, London,
25 January 1868.

My Lord Duke,

I HAVE the honour to acknowledge Mr. Elliot's Letter, of the 18th instant, enclosing a copy of Address to the Queen, forwarded by the Governor General of Canada, and to thank your Grace for communicating these papers to the Hudson's Bay Company.

On this Address I beg to request your Grace's attention to the following observations on behalf of myself as Governor, and the Committee of the Company.

1. It seems necessary, in the first place, to distinguish the two classes of rights

rights conferred on the Company by the Charter. Some of these are, no doubt, of a public or political character, such as belong to a proprietary Government; but others are practically of a private nature, such as might have been vested in any individual subject, or any private corporation, clothed with no public functions of any kind. Of these latter, it is only necessary at present to refer to the right of private property in the soil, and in the mines and minerals.

Report of 1857,
Appendix, p. 404,
paragraph 2.

2. It may be that the public or political rights of the Company, are, in the Charter, ill-defined, and of doubtful expediency at any time. It may be, too, as the Law Officers in their letter of 1857 appear to hint, that for any effectual exercise they require the aid of the right of private property, as vested in the Company by the same instrument.

3. The Committee need scarcely remind your Grace that so far from opposing a resumption by the Crown of the political powers of the Company, almost the first important step taken by them in 1863, was the adoption of the following resolution;—

Sir E. Head to Sir
F. Rogers, 28 Aug.
1863.

“Resolved, that the time has come when, in the opinion of this Committee, it is expedient that the authority, executive and judicial, over the Red River Settlement, and the south-western portion of Rupert's Land, should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty.

“That the Governor be empowered to communicate this Resolution to his Grace the Duke of Newcastle, and to discuss the subject with him, or with the Under Secretary of State for the Colonies; reporting from time to time to this Committee thereon.”

Mr. C. Fortescue
to Sir E. Head,
11 March 1864.

4. In the correspondence which ensued with the Colonial Office, it appears to be implied on the part of his Grace the Duke of Newcastle, that the fact of the right of private property in the soil being no longer possessed by the Crown, was one of the chief obstacles to a compliance with the suggestion made in the above Resolution. If this be so, the very fact of making this objection involves an admission in favour of the Company. Most assuredly, if the Crown had alienated its right of property in the soil and minerals of the Hudson's Bay Territory, it had granted it to no other party than the Hudson's Bay Company, and by no instrument other than the Charter of Charles II.

Page 68 of this
Paper.

5. In Mr. Fortescue's letter of 11th March 1864, an offer of a contingent money payment, as the consideration for the cession of the territorial rights of the Company, was distinctly made by the Secretary of State. The proviso inserted in the postscript to that letter will be adverted to afterwards, and had reference only to the supposed rights of Canada.

See post, para-
graph 9.

6. It is unnecessary for the Committee to refer to the undisputed enjoyment of these rights, at any rate since the time of the Treaty of Utrecht.

Letter of the Law
Officers to Mr.
Merivale, Appen-
dix to Report,
1857, p. 404, last
paragraph.

7. In addition to all this, it remains to quote the express words of the Law Officers, in their letter of 1857, already referred to. They say, “In our opinion the Crown could not now, with justice, raise the question of the general validity of the Charter; but that on every legal principle the Company's territorial ownership of the lands granted, and the rights necessarily incidental thereto, ought to be deemed to be valid.”

Moreover, in a passage alluded to above, the Law Officers imply indirectly their belief in the validity of this right of private property, when they say that “rights of Government, taxation, exclusive administration of justice, or exclusive trade, otherwise than as a consequence of the right of ownership of the land, could not legally be insisted on by the Company.” What other opinions of the Law Officers of the Crown may be found in the records of the Colonial Office it is not for us to say, but the evidence given by the Right Honourable Edward Ellice before the Committee of 1857, as to the opinions taken by him both for and against the Company, is well worth referring to.

Answers to Ques-
tions 5823.

8. One other point is a mere technicality, no doubt, but it may be worth observing that the title of the Company to their land is an English title, since it is granted “to be holden as of the manor of East Greenwich, in our county of Kent, in free and common soccage.”

9. The Committee do not intend to impute to the Parliament or the Ministry of

of Canada, any deliberate intention of violating such rights of the Hudson's Bay Company as they admit to exist, but it must be remembered that a theory has been started, and is referred to in the debate on this Address, by which the admissions of the English Government, and the opinion of the English Law Officers, as to the right of ownership in the soil, are directly negatived. It has been supposed, we believe, that France was in possession of these territories, or a large portion of them, when the Charter was granted; that they were therefore within the exception which that Charter contains with regard to territories belonging to any other Christian prince; and that this French title remained good, and was transferred to the English Crown, with Canada, at the final cession of that Province by France.

See postscript to letter, Mr. Forster to Sir E. Head, 11 March 1864, and letter, 5 April 1864.

10. This is not the place for entering on a discussion of the facts and law involved in this argument—an argument, as we have said, inconsistent with the continued recognition of the Company's rights in various ways by the English Government, and their legal advisers, for a long series of years; but if this objection to the Company's title shall be presented in a tangible form before a proper tribunal, the Hudson's Bay Company will be quite ready to meet it, and demonstrate its futility.

Pages 68 and 72 of this Paper.

11. The very existence, however, of such a theory in the minds of the Canadian Ministers, or the Canadian people, is a sufficient reason why, in justice to the Company, it should be set aside, or its truth or falsehood should be conclusively tested, before their rights of property, under the Great Seal of England, and, in fact, their future existence, are placed under the legislation and the absolute control of Canada.

12. The Committee cannot but feel that the Company has already had great reason to complain of the course pursued during the last few years. In 1865 the Canadian delegates sent to this country to promote the scheme of confederation solemnly "undertook" with Mr. Cardwell to negotiate with the Hudson's Bay Company. The answer given by the Committee was, that they would be ready to consider any proposal. The fact of this undertaking was recited again in a subsequent letter as a reason why no other step should be taken. No negotiation, however, was opened, and in 1866 the Canadian Council resolved that such negotiation must devolve on the Government of the confederation when constituted, rather than on the Government of Canada. This was confirmed by the resolutions of the delegates in England of 3rd April 1867. After all, when the Confederation is formed, and its Parliament has met, resolutions are passed, and an Address to the Queen is adopted, praying that the powers of legislation and Government over the Hudson's Bay Territory, and the North Western Territory, may be conveyed to Canada first, and that the judicial decisions or negotiations as to the Company's rights should take place afterwards.

Despatch of Mr. Cardwell to Lord Monck, 17 June 1865.

Letter of Mr. Forster to Sir E. Head, 20 February 1866.

Minute, 22 June 1866. Letter from Sir F. Rogers to Sir E. Head, 31 July 1866.

Mr. Elliot to Sir E. Head, 15 April 1867.

13. We desire in the first place to remark, that this inversion of the order of proceeding is entirely contrary to the expectation raised by the acts of the delegates, and by the communications from the Colonial Office to us. We may have erred in thinking so, but certainly we conceived that the negotiations, which the delegates in 1865 undertook to initiate, were intended under the Act of last Session to form the preliminary step for transferring the supreme control to Canada—not to follow after such transfer, with all the disadvantages to the Company which must thus ensue from the change of the relative position of the parties. It would appear, too, from a passage in a speech of the Honourable Mr. Holton in the Canadian Parliament, as reported in the "Canadian News," as per extract herewith, that the Committee were not the only parties who supposed this to be the intention of Government.

Extract, No. 1, enclosed.

The Committee moreover thought that it was expressly in anticipation of this original undertaking to negotiate being thus carried out, that the Secretary of State for the Colonies intimated his wish in the following terms, that the Company should abstain from any other arrangements likely to interfere with the views then entertained.

"It is of course for the Hudson's Bay Company to consider for themselves what course is most proper and conducive to their own interests. But it appears to Lord Carnarvon that any effective negotiation being for the moment impossible, it is for the interest of both parties that the question should remain open for arrangement so soon as an authority exists capable of dealing with it on the

Mr. Elliot to Sir E. Head, 23 Jan. 1867.

Page 76 of this Paper.

part of the Colony or Colonies interested. He would therefore regret to learn that the Company contemplate any immediate action which was calculated to embarrass the negotiations, which would then become possible, and which in the opinion of the executive council it would be the duty of the Confederate Government to open.

30 & 31 Vict. c. 3,
s. 146.

14. The Committee felt no anxiety respecting the wide powers of transfer conferred on the Crown by the Act of last Session, because they did not believe that their rights of ownership in the soil and minerals could be affected by it; and because after the undertaking to negotiate formally communicated to them, and the correspondence relating to it, they relied, as they continue to rely, on the honour and good faith of the English Government.

15. But the case assumes a very different aspect, if the plan of giving to the Canadian Parliament and Government legislative and administrative control over these territories, without defining and providing for the rights and interests of the Company as a condition precedent, should be carried out. So far as we now see, no security of any kind would exist against such a use of this control in taxation and other matters as might be thought best fitted for compelling the Company to accept any terms, however disadvantageous. No specific guarantee, it seems, is proposed to be given as to the legislation which might take place before these claims were finally disposed of, or as to the impartiality and competency of the courts before which the Company, if aggrieved, would have to seek redress. At any rate the relative position of the two parties to any such suit or discussion respecting these rights would, after the transfer of the legislative and administrative control, be one which must leave the Company, as defendant, more or less at the mercy of the plaintiff, and would, to say the least, taint the voluntary character of any agreement to be subsequently arrived at. The only reliance of the Company would be on the honesty and the considerate disinterestedness of the Canadian Parliament and people.

Extract from "Canadian News"
(enclosed), 2.

The Committee, moreover, venture to think that their apprehensions on this score are reasonably increased, rather than diminished, by all that is reported to have passed in the debates, and especially by the extract of the accompanying report of the speech of Sir John A. Macdonald, K.C.B., the Canadian Premier. The report is taken from the "Canadian News." It is probably condensed, and as a matter of course it may be more or less inaccurate.

30 & 31 Vict.
c. 3, s. 146.

16. The Act of last Session provides that the incorporation of Rupert's Land and the North Western Territory with Canada may be made by the Queen "on such terms and conditions in each case as are in the Addresses expressed, and as the Queen thinks fit to approve, subject to the provisions of this Act; and the provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland."

Now, looking to the previous correspondence between the Hudson's Bay Company and the Colonial Office, it is not unreasonable to suppose that so far as regards the territory of the Company, the Act contemplated the insertion of certain terms and conditions in any Address relating to the transfer of such territory.

But the Address, a copy of which your Grace has had the goodness to transmit to us, contains no "terms and conditions" whatever, except a vague assurance "that the Parliament of Canada will be ready to provide that the legal rights of any corporation, company, or individual within the same shall be respected, and placed under the protection of courts of competent jurisdiction."

Such an assurance is of little value when the party making it disputes the very existence of the rights in question, and at any rate it amounts to no more than a statement, that British subjects on British soil shall be entitled to the protection of a court of law of some kind, hereafter to be established by the act of one of the parties.

It might be presumed that redress before a competent tribunal would be the right of any one who was wronged; and such an assurance can hardly be deemed a "term" or "condition" of the kind, which the Statute intended to be set out specifically in the Address from the Legislature.

17. The Committee trust it may not for one moment be supposed that they arrogate to themselves any right, or entertain the smallest desire to impede,
or

PAPERS RELATING TO RUPERT'S LAND.

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or even comment on the general policy of transferring the government of the North Western Territory, and of the Hudson's Bay territory, to the Confederate Government of Canada. In this, as in everything else, they would bow with submission to the authority of the Crown, and rejoice in any measure which was really calculated to strengthen loyalty, and promote union in British North America.

18. What is asked for as a matter of justice to a proprietary, consisting of upwards of 1,700 shareholders, who have paid a very large sum on the faith of our Charter, and of the protection of their rights of property in the soil by English law, is the adoption by Her Majesty's Government of one of the following alternatives:—

1st. That some conclusive agreement as to the extent, value, and compensation to be made for the claims of the Company, as owners of the soil and minerals of the Hudson's Bay Territory, and some arrangement by which burthens assumed by them in their political capacity, such as the endowment of the bishopric, may, when that capacity ceases, be transferred to others, should be completed before, not after, the transfer of the government of the North Western Territory, or Hudson's Bay Territory to Canada.

2nd. That before any incorporation of Rupert's Land, or the North Western Territory with Canada, the rights of private property vested in the Company, and the exact limits of such rights, should be ascertained, acknowledged, and efficiently protected by law, in a manner binding on any Colonial Government, so that they should not be at any time hereafter impeached or violated without proper compensation.

I have, &c.
(signed) *Edmund Head*, Governor.

Enclosure 1, in No. 4.

EXTRACT from a SPEECH of the Honourable Mr. *Holton*, in the Canadian Parliament, as Encl. 1, in No. 4. reported in the "Canadian News," 2nd January 1868, page 7.

"It struck him, too, that what was in contemplation in the Union Act was, that the Address to Her Majesty should follow the negotiations, and that the Address should set forth, clearly and distinctly, the terms on which we were prepared to unite that territory with Canada."

Enclosure 2, in No. 4.

EXTRACT from a SPEECH of Sir *John A. Macdonald*, K. C. B., in the Canadian Parliament, Encl. 2, in No. 4. reported as above.

"It had been said, by the Member for West Durham, that this was a worse proposition than the proposition of 1865. It was precisely the same; it was simply that we wished to take possession of this territory, and would undertake to legislate for it and to govern it, leaving the Hudson's Bay Company no right except the right of asserting their title in the best way they could in courts of competent jurisdiction. And what would their title be worth the moment it was known that the country belonged to Canada, and that the Canadian Government and Canadian Courts had jurisdiction there, and that the chief protection of the Hudson's Bay Company, and the value of their property, namely, their exclusive right of trading in those regions, were gone for ever? The Company would only be too glad that the country should be handed over to Canada, and would be ready to enter into any reasonable arrangement.

"The value of the Company's interest would be determined by the value of their stock; and what would that be worth when the whole country belonged to Canada?"

— No. 5. —

No. 5.

Right Hon.
C. B. Adderley,
M.P., to Sir C.
Lampson, Bart.
23 April 1868.

COPY of a LETTER from the Right Honourable *C. B. Adderley*, M.P., to
Sir Curtis Lampson, Bart.

Sir,

Downing-street, 23 April 1868.

I AM directed by the Duke of Buckingham and Chandos to acquaint you that he has had under his consideration the Address from the Parliament of Canada to Her Majesty, praying that Rupert's Land and the North West Territory may be united with the Dominion of Canada, and placed under the authority of the Canadian Parliament, and the letter from the Governor of the Hudson's Bay Company, dated the 25th January,* on that subject.

Her Majesty's Government think that it will be right to comply, under proper conditions, with the wish expressed by the Parliament of Canada, and they propose to introduce a Bill for the purpose into the Imperial Parliament. They desire, however, to pay due regard to the interests of Her Majesty's subjects already concerned in the territory; and with that view they will be prepared to make provision for any reasonable terms which may be agreed upon with the Hudson's Bay Company.

I am desired to call your attention to the negotiations which took place in 1864, between the Secretary of State and the Company, as recorded in the correspondence referred to in the margin, and I am to request that you will state what are the terms which the Company would be prepared to accept, proceeding on the principles then adopted, namely, that the compensation should be derived from the future proceeds of the lands, and of any gold which may be discovered in Rupert's Land, coupled with reservations of defined portions of land to the Company.

I am, &c.

(signed) *C. B. Adderley*.

Colonial Office :

11 March 1864.

5 April "

6 June "

Hudson's Bay Com-

pany :

13 April 1864.

7 Dec. "

This Correspondence
is printed as Appen-
dix III.

— No. 6. —

No. 6.

Earl of Kimberley
to the Right Hon.
C. B. Adderley,
M.P.

24 April 1868.

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable
C. B. Adderley, M.P.

Sir,

Hudson's Bay House, London,
24 April 1868.

I HAVE the honour to acknowledge the receipt of your letter of the 23rd instant, addressed to the Deputy Governor of the Hudson's Bay Company, and to inform you that the subject-matter of this communication will be taken into consideration by the Committee, and a reply made thereto at an early date.

I take this opportunity to inform you, that I have this day been elected Governor of the Company, in the room of the late Sir Edmund Head, Bart.

I am, &c.

(signed) *Kimberley*.

— No. 7. —

No. 7.

The Earl of
Kimberley to the
Right Hon. C. B.
Adderley, M.P.
13 May 1868.

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable
C. B. Adderley, M.P.

Sir,

Hudson's Bay House, London,
13 May 1868.

Your letter of the 23rd ultimo, which I have already had the honour to acknowledge, has been carefully considered by the Committee of the Hudson's Bay Company, and I am authorised by the Committee to make the following reply.

The

The Committee wish in the first place to express the satisfaction with which they have learnt that Her Majesty's Government, whilst thinking it right to comply, under proper provisions, with the prayer of the Address to the Queen from the Parliament of Canada, that Rupert's Land and the North West Territory may be united with the Dominion of Canada, desire to pay due regard to the interests of Her Majesty's subjects already concerned in the territory, and with that view will be prepared to make provision for any reasonable terms which may be agreed upon with the Hudson's Bay Company.

Before proceeding to state the conditions which they would undertake to recommend the proprietors to accept, the Committee think it necessary to point out the important difference in the basis of the negotiations between the Secretary of State for the Colonies in 1864, to which you refer in your letter, from that of the negotiations into which his Grace the Duke of Buckingham and Chandos now invites the Company to enter.

In the letter of Mr. Fortescue of 11th March 1864, the first condition proposed by the Duke of Newcastle was —

“That within certain geographical limits (coinciding more or less with those laid down in your letter), the territorial rights of the Company should be surrendered to the Crown.”

These geographical limits are defined in the letter of Sir Edmund Head of 13th* November 1863, as follows:—

Printed as
Appendix III.
p. 66.

* Query 11th.

“With regard to the extent of the proposed Colony, of which the seat of Government would be Red River or Fort Garry, the Committee presume that his Grace would wish it to include the whole country from the frontier of the United States to the north branch of the Saskatchewan, and to extend eastward towards Lake Superior, as far as the frontier of Canada, wherever the precise line of that frontier may be found. Perhaps the most convenient limit for the northern boundary would be either the Saskatchewan itself, or a line running from the Rocky Mountains eastward through Edmonton House and Fort Cumberland, and from the latter following the Saskatchewan down to Lake Winnipeg. Nothing would be gained by going further to the northward, nor by including the eastern side of Lake Winnipeg; but from the mouth of the Winnipeg river, where it enters the lake, the line of demarcation might be run eastward until it cut the Canadian frontier somewhere north of Lake Superior or Lake Huron.”

From this quotation his Grace will see that the terms to which Sir Edmund Head stated in his letter of 13th April 1864, that the Committee were willing to agree, referred only to a portion of the territory held by the Company, being that portion which it is supposed may be capable of settlement.

Now, on the other hand, it is proposed, as the Committee understand your letter, to extinguish the Company's territorial rights in the whole of Rupert's Land, and to place the whole of Rupert's Land, together with the North Western Territory, under the Government of Canada.

The Committee have invariably expressed their anxiety to offer no obstacle to any arrangements for facilitating the colonisation of all such parts of Rupert's Land as can possibly be settled; they have only asked that reasonable compensation be secured to the Company for its territorial rights; and in the letter of Sir E. Head of the 25th of January last,* they disclaimed all desire to impede the general policy of transferring the Government of the North West Territory and of the Hudson's Bay Territory to the Government of Canada; but his Grace will not fail to perceive that there is a wide difference between the terms assented to by the Committee in their correspondence with the Duke of Newcastle, under which the Company would have retained the exclusive control over that part of the territory where their fur trade is principally carried on, and the surrender of the whole of their territorial rights; and it becomes, therefore, of the utmost consequence to the Company that such provisions shall be made as will enable them to carry on their fur trade without interruption.

* Page 17.

Bearing these considerations in mind, the Committee are prepared to recommend the proprietors to accept the following terms, which, as his Grace will perceive, are based upon the terms proposed in Sir Edmund Head's letter of 13th

April 1864, with such additions as the altered state of the case seems to them to require.

1. That the Company shall surrender all the territory which they hold under their Charter, with the reservation of all their posts and stations, with an area of 6,000 acres round each such post or station; this reservation of 6,000 acres, however, not to apply to the Red River Settlement.

2. That the Company shall be entitled to receive one shilling for every acre of the land surrendered, which shall be disposed of by the Government, whether by sale, lease, or free grant, or parted with in any other manner.

3. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding Article being limited to a total sum conjointly of one million sterling.

4. That the Canadian Government shall confirm all titles to land that has been alienated by the Company at Red River or elsewhere.

5. That whenever the Government shall have sold, leased, granted, or otherwise parted with 50,000 acres, the Company shall be entitled, for every such 50,000 acres, to a free grant of 5,000 acres of wild land, to be selected by them.

6. That no tax shall be imposed upon any land belonging to the Company not under cultivation, and no exceptional tax shall be imposed upon the Company's other lands or property, or upon the Company's servants.

7. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon by Mr. Vankoughnet and Mr. Hopkins.

8. That the Canadian Government shall take over from the Company all the materials for the construction of the telegraph now in Rupert's Land and the North West Territory, on payment of the cost price and the expenses already incurred, with interest.

9. That full liberty to carry on their trade shall be secured to the Company free from any special or exceptional taxation.

10. That until the million sterling stipulated by Articles 2 and 3 shall be paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company; and no import duties shall be levied upon articles imported by the Company into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir E. Head's letter of 13th November 1863; the Company to be further entitled to import goods in bond, free of duty, through any part of the surrendered territory into the North Western Territory and the aforesaid part of Rupert's Land.¹

Lastly, that in order to afford to the Company a guarantee for the due fulfilment of these provisions by the Canadian Government, power shall be given to the Company to bring before the Judicial Committee of Her Majesty's Privy Council for decision any matters connected with the carrying into effect the foregoing provisions, in respect of which they may consider themselves aggrieved.

The Committee assume that all charges of a public character which now fall on the Company will be transferred to the Canadian Government, and that in order to prevent any dispute with Canada hereafter as to the limits of the territory to which the conditions to be agreed upon shall apply, the boundary line between the territory surrendered by the Company and the present Dominion of Canada, will be precisely defined before the cession is completed.

The Committee desire me, in conclusion, to refer to the letter of Sir E. Head of the 25th of January last, and especially to the last paragraph of that letter. They feel confident that they will not be deemed unreasonable in asking that, in transferring the North West Territory to Canada, such provisions shall be made as
may

PAPERS RELATING TO RUPERT'S LAND.

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may secure to the Company full liberty to trade as at present, as well as the unmolested possession of their posts, stations, and other property, free from any exceptional duties on their property or servants.

I have, &c.
(signed) *Kimberley.*

— No. 8. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Earl of *Kimberley*.

My Lord,

Downing-street, 7 August 1868.

A BILL having now passed through both Houses of Parliament, conferring the necessary power for the surrender to Her Majesty by the Hudson's Bay Company of their territories and privileges, on such terms as may be agreed upon, I am directed by the Duke of Buckingham and Chandos to transmit to you a copy of the Act.

In your Lordship's letter, dated the 13th of May last,* there are certain points in the terms set forth which the Duke of Buckingham and Chandos would not feel at liberty to agree in their present shape. His Grace believes that the best prospect of arriving at an agreement satisfactory to both parties will probably be afforded by personal consultation. He would propose, therefore, to meet your Lordship, at such time as may be convenient for the purpose to your Lordship, and to any members of the Company whose assistance you would desire. Some time in the ensuing month will, probably, be suitable.

I have, &c.
(signed) *Frederic Rogers.*

No. 8.
Sir F. Rogers,
Bart., to the Earl
of Kimberley.
7 August 1868.

31 & 32 Vict.
c. 105. Printed
as Appendix II. p.
65.

* Page 22.

— No. 9. —

COPY of a LETTER from the Earl of *Kimberley* to Sir *Frederic Rogers*, Bart.

Sir,

Kimberley House, 16 August 1868.

I BEG leave to acknowledge and thank you for your letter of the 7th instant.

I request you will have the goodness to inform his Grace the Duke of Buckingham that I shall gladly avail myself of his suggestion that I should have an interview with him next month to discuss the terms proposed in my letter of the 13th of May last;† and I will, when the time approaches, take an opportunity of communicating with his Grace as to the day and hour when it will be convenient to him to receive me and such other members of the Committee of the Hudson's Bay Company as may accompany me.

I have, &c.
(signed) *Kimberley.*

No. 9.
The Earl of
Kimberley to Sir
F. Rogers, Bart.
16 August 1868.

† Page 22.

— No. 10. —

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable
C. B. Adderley, M.P.

Sir,

Hudson's Bay House, London,
27 October 1868.

THE Committee of the Hudson's Bay Company have received from Sir C. Lampson and myself reports of the interviews which we have had the honour to have with his Grace the Duke of Buckingham and Chandos, on the subject of the proposed cession to Canada of the Company's territorial rights; and they have anxiously considered how far they would be justified in altering the terms proposed

No. 10.
The Earl of
Kimberley to the
Right Hon. C. B.
Adderley, M.P.
27 Oct. 1868.

proposed in my letter of May 13th, with a view to meet the objections which have been raised to them.

They understand his Grace to suggest that, instead of the Company being entitled to a free grant of 5,000 acres, to be selected by them, for every 50,000 acres which shall be alienated by the Government, the whole territory should be at once divided into sections on the map, and that a certain portion of each section should be allotted to the Company, by a fixed geographical rule, the Company taking its chance as to the value of the land which might fall to its share; and further, that, in order to meet the evils which might arise from the existence of so many blocks of wild land free from taxation, the exemption of the Company's wild land from taxes should continue only for a limited period, say, for example, 20 years.

The Committee regret that they are unable to agree to this mode of allotment. One of the chief inducements to their shareholders to accept the proposed arrangements would be, that according to the plan of the Committee, if, as it is hoped, the colonisation of the country proceeded rapidly under the new Government, the Company would receive blocks of land of moderate size, in the vicinity of the new settlements, which would possess an actual value in the market. But if the plan suggested by the Duke of Buckingham were adopted, instead of the grants to the Company proceeding equally with the progress of colonisation, the whole country would be dotted over with isolated tracts of wild land belonging to the Company, many of which, even if ultimately available for settlement, must necessarily remain entirely valueless until long after the expiration of the 20 years, and, if taxed, would be a heavy burden instead of a source of profit to the Company.

The Committee are willing, however, to agree that the exemption from taxes on the Company's wild land shall only apply to each block of 5,000 acres, which they may be entitled from time to time to select, for a period of 20 years from the date of selection. This would give the Company a reasonable time within which to turn each block to profitable account, and at the same time the ultimate liability to taxation would prevent these lands from becoming an obstruction to the free progress of settlement. The Committee think it right to add that they do not propose that land purchased by the Company should be reckoned in the 50,000 acres, and that the selection of the land by the Company naturally implies that the Company shall bear the cost of such a survey as may be necessary to define the land selected, it being understood that the Company shall have the option of making the survey by means of their own officers.

The Committee are also quite willing that land granted for such purposes as roads, churches, or schools, shall not be liable to the payment of 1 s. per acre to the Company, provided that the exemption is restricted to the land actually used in the construction of the work, and that the exceptions are specified in the agreement with the Government for the cession of the Company's rights.

They also admit that it is proper that a similar exemption should apply to land set apart as Indian reserves, on the understanding that these reserves will be made by Her Majesty's Government, as they are informed it is his Grace's intention they shall be, before the Company's territory is transferred to Canada; and that if, at any time before the million sterling is paid to the Company, such land shall be used or granted for other purposes, it shall become liable to the payment of 1 s. an acre, in common with other land.

With respect to the land which the Committee have asked that the Company may retain as private property round their posts and stations, if 6,000 acres are thought to be too much in that part of Rupert's Land which is suited for settlement, the Committee will consent that the 6,000 acres shall only apply to posts which do not lie within the limits referred to under Article 10, in my letter of 13th May, as laid down in Sir E. Head's letter of 13th November 1863, and that within those limits the extent of land to be retained round each post shall not exceed 3,000 acres; all the lands retained to be free from taxation, except when reclaimed from a wild state. Lastly, the Committee cannot deny that the stipulation that the Company shall have power to bring before the Judicial Committee of Her Majesty's Privy Council matters in dispute, is open to the objection that the Privy Council acts only as a court of appeal; and as they presume that the Company would be entitled to appeal from the local courts to the Privy Council, they do not think it indispensable to insist on this demand.

The

The Committee, in declaring their willingness to make these alterations in the terms which they proposed, are actuated by a sincere desire to arrive at an agreement with Her Majesty's Government; but they are conscious that they would be wanting in their duty if they did not add, that at the half-yearly meeting of their shareholders, held since my letter of 13th May was written, opinions were expressed strongly adverse to any arrangement for the cession of the Company's territorial rights, which did not secure the payment, as compensation, of a sum of hard money.

Sir E. Head, in the concluding paragraphs of his letter of 13th April 1864,* in which terms were proposed similar to those now under discussion, but involving the cession of a part only of the Company's territory, avowed to the Duke of Newcastle the apprehensions of the Committee that it might be difficult to convince the shareholders that the offers then made were to their advantage; and although the Committee have felt bound not to recede from the terms contained in my letter of 13th May,† which were based on their former offers, they cannot conceal from his Grace that they anticipate a very serious opposition on the part of their shareholders to any such arrangement as that which they have put forward. * *Vide* Appendix III., page 72.

His Grace will recollect that, at our first interview, before the Canadian delegates had started for England, Sir C. Lampson and I strongly insisted upon this point, and that we suggested that if Canada would agree to pay to the Company one million sterling, in bonds, such a settlement might be acceptable to our proprietors. † Page 22.

The Committee entirely share this view. The more they consider the very complicated arrangements which have been devised as a substitute for the payment of a sum of money at once, the more they are convinced that it is as much for the interest of Canada as of the Company that the claims of the Company should be provided for by a direct compensation, and not by contingent payments extending over a long series of years, and by grants of land under stipulations which, although indispensable to protect the Company from spoliation, would be invidious in the eyes of the future settlers, and embarrassing to the Colonial Government.

At the same time the Committee desire me to assure his Grace that if their terms, as now modified, are agreed to by Her Majesty's Government, the Committee will use all their influence to induce the proprietors to confirm them.

I have, &c.
(signed) *Kimberley*,
Governor.

— No. 11. —

COPY of a LETTER from the Right Hon. *C. B. Adderley*, M.P., to the Earl of *Kimberley*.

My Lord,

Downing-street, 1 December 1868.

I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your Lordship's letter of the 27th October,‡ and to express his Grace's regret that the serious illness of Mr. McDougall, one of the two delegates sent from Canada, which prevented his Grace from communicating with him, should have caused so long a delay in the answer.

His Grace regrets to perceive that the letter under reply does not afford much prospect of an arrangement being come to.

Her Majesty's Government, in the letter of Mr. Adderley of 23rd April§ to Sir Curtis Lampson, referring to the negotiations which took place in 1864, requested to be informed "what terms the Company would be prepared to accept, proceeding on the principles then adopted, namely, that the compensation should be derived from the future proceeds of the lands, and of any gold which may be discovered in Rupert's Land, coupled with reservations of defined portions of land to the Company." § Page 22.

To this your Lordship replied that the Committee were prepared to recommend—

1. That the Company shall surrender all the territory which they hold under their Charter, with the reservation of all their posts and stations, with

No 11.

The Right Hon.
C. B. Adderley,
M.P., to the Earl
of *Kimberley*.
1 Dec. 1868.

† Page 25.

an area of 6,000 acres round each such post or station; this reservation of 6,000 acres, however, not to apply to the Red River Settlement.

2. That the Company shall be entitled to receive 1*s.* for every acre of the land surrendered, which shall be disposed of by the Government, whether by sale, lease, or free grant, or parted with in any other manner.

3. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding article being limited to a total sum conjointly of 1,000,000 *l.* sterling.

4. That the Canadian Government shall confirm all titles to land that have been alienated by the Company at Red River or elsewhere.

5. That whenever the Government shall have sold, leased, granted, or otherwise parted with 50,000 acres, the Company shall be entitled for every such 50,000 acres to a free grant of 5,000 acres of wild land, to be selected by them.

6. That no tax shall be imposed upon any land belonging to the Company not under cultivation, and no exceptional tax shall be imposed upon the Company's other lands or property, or upon the Company's servants.

7. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon by Mr. Vankoughnet and Mr. Hopkins.

8. That the Canadian Government shall take over from the Company all the materials for the construction of the telegraph now in Rupert's Land, and the North West Territory, on payment of the cost price, and the expenses already incurred with interest.

9. That full liberty to carry on their trade shall be secured to the Company free from any special or exceptional taxation.

10. That until 1,000,000 *l.* sterling, stipulated by Articles 2 and 3, shall be paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company, and no import duties shall be levied upon articles imported by the Company into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir E. Head's letter of 13th November 1863; the Company to be further entitled to import goods in bond, free of duty, through any part of the surrendered territory into the North Western Territory, and the aforesaid part of Rupert's Land.

Lastly. That in order to afford to the Company a guarantee for the due fulfilment of these provisions by the Canadian Government, power shall be given to the Company to bring before the Judicial Committee of Her Majesty's Privy Council for decision any matters connected with the carrying into effect the foregoing provisions, in respect of which they may consider themselves aggrieved.

His Grace intimated in reply that there were "certain points in the terms set forth to which he would not feel at liberty to agree in their present shape"; and at the meetings which ensued, his Grace expressed his strong objections to the principle of the proposals of the Company respecting reserves of land to be selected from time to time at the discretion of the Company, and to the principle of special exemption from taxation in their favour, and expressed his opinion that there were many points in the other proposals requiring material modification.

Your Lordship's present letter intimates that the Company are unable to agree to certain modifications which suggested themselves during the discussions as modes of avoiding the objections entertained by his Grace, and proceeds to state the changes which the Company are willing to agree to, and which his Grace understands to be as follows:—

1st. That the exemption from taxes on the Company's wild lands shall only last for a period of 20 years from the date of selection.

2ndly. That

2ndly. That any lands purchased by the Company shall not reckon in the quantities of 50,000 acres in respect of which the Company should be entitled to select 5,000 acres.

3rdly. That the Company shall bear the expense of surveying their blocks of 5,000 acres.

4thly. That lands granted for such purposes as roads, churches, or schools shall not be liable to the payment of one shilling per acre to the Company.

5thly. That the same exception shall apply to lands set apart by Her Majesty's Government as Indian reserves, before the Company's territory is transferred to Canada.

6thly. That with regard to land around posts beyond what is designated the Fertile Belt, 6,000 acres shall be granted, and that only 3,000 acres shall be the quantity within that belt.

7thly. That the proposed recourse to the Privy Council as a Court of First Instance shall be abandoned.

His Grace is unable to recommend the adoption by Her Majesty's Government of such terms for the surrender of the territorial rights of the Company. Whatever be the future government of the territory, whether by the Hudson's Bay Company or by Canada, or by any other authority, very considerable annual outlay will have, as in all other unsettled countries, to be incurred in clearing roads, maintenance and opening of navigation, &c., and surveying.

For these charges the produce of the early sales of land is the natural resource. But by the Company's proposals they would deprive the future Government of any prospect, for a long time at least, of receiving any income.

1st. They first stipulate, not for a share of the receipts from land, but for a definite sum per acre, a sum in all probability far in excess of what is likely in practice to be obtained for the greater portion.

2ndly. They stipulate that they shall retain certain reserves around their posts, amounting, therefore, according to the lists of posts handed in by Sir C. Lampson, to upwards of 500,000 acres of the land most likely to be made available for settlement and sale, as being the land surrounding the established posts of the Company, which they have after long experience retained as the most advantageous positions for trade and occupation, and of which nearly 100,000 acres surround the posts in what is called the Fertile Belt of the territory.

3rdly. And that they shall also receive a share of mineral rights and confirmation of all titles.

4thly. They proceed to stipulate for a further reserve of one-tenth of the whole territory, and that the Company shall have this tenth in blocks of 5,000 acres, to be selected as each successive 50,000 is alienated, and not merely to select in the same locality, but anywhere; so that, for instance, if land is alienated in the higher parts of the Rocky Mountains, at Jasper House, for example, in consequence of the mining operations in that district; or for fishing stations or mining purposes on the coast of Hudson's Bay or Labrador, the Company should be entitled to select the proportionate reserve in such part of the most fertile region as they may consider will realize the utmost profit to them, whether by its cultivation or development, or by its power of obstruction to others.

These lands, moreover, are to be exempt from taxation for a period of 20 years from selection, and the lands retained round the posts to be entirely free from taxation unless reclaimed.

These conditions his Grace cannot accede to; his Grace would, however, recommend Her Majesty's Government to agree to a surrender on the following conditions:—

1st. That the land to be retained by the Company in the neighbourhood of their posts shall vary according to the importance of the post, in no case whatever exceeding 6,000 acres in all for any one post, including the cultivated or reclaimed land now occupied; and in no case exceeding 3,000 acres within the Fertile Belt for principal posts, and 500 acres for minor posts; the additional

additional land retained to be set out, so as not to include frontage to rivers, or tracks, roads, or portages.

2nd. The Company to receive one-fourth share of all receipt from land. If any free grants of land be made for other than public purposes, such land shall be deemed to have been sold at 1s. per acre.

3rd. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding article being limited to a total sum conjointly of 1,000,000 £. sterling.

4th. That the Imperial Government shall confirm all titles to land that has been alienated by the Company at Red River or elsewhere.

5th. That the Company shall have the option of selecting five lots of not less than 200 acres each in each township, whenever it is set out, on payment of rateable cost of survey.

6th. That no exceptional tax shall be imposed upon the Company's lands, trade, or servants.

7th. That full liberty to carry on their trade shall be secured to the Company.

8th. The Company to have similar reserves granted them in connection with their posts in the North West Territory.

9th. The boundary lines between Hudson's Bay and Canada to be defined, and between Hudson's Bay and North West Territory to be defined, by a natural or geographical boundary, agreed on.

10th. No wild lands to be taxable until surveyed and marked.

11th. That whenever the payment of 1,000,000 £. sterling, under Article 3, shall have been made as therein provided, in cash, or otherwise extinguished, by any payment or commutation, by Canada, to the satisfaction of the Company, the rights of the Company to further selections of lots, to royalties and share of land receipts, shall cease.

12th. Such lands as Her Majesty's Government shall deem necessary to be set aside for the use of the native Indian population shall be reserved altogether from this arrangement, and the Company shall not be entitled to the payment of any share of receipts, or any royalty therefrom, or right of selection in respect thereof, under previous articles, unless for such part, if any, of these lands as may be appropriated, with the consent of the Crown, to any other purpose than that of the benefit of the Indian natives.

If these terms are approved, Her Majesty's Government will be prepared to conclude an arrangement, and to submit it to the Canadian Government for their favourable consideration; but if the Company shall not assent to these conditions, Her Majesty's Government will consider themselves unpledged by any of the offers that have been made.

I am, &c.
(signed) C. B. Adderley.

— No. 12. —

No. 12.
Sir Curtis Lamp-
son, Bart., to Sir
Frederic Rogers,
Bart.
10 Dec. 1868.

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
10 December 1868.

Sir,

I HAVE the honour to acknowledge the receipt, on the 8th instant, of Mr. Adderley's letter, dated Downing-street, 1st December,* and I have to state that the contents will be, without delay, taken into consideration by the Committee of the Hudson's Bay Company.

I have, &c.
(signed) C. M. Lampson,
Deputy Governor.

* Page 27.

PAPERS RELATING TO RUPERT'S LAND.

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— No. 13. —

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
22 December 1868.

Sir,

REFERRING to my letter of the 10th instant*, I have the honour to state that the Committee have summoned a General Court of the Proprietors of the Hudson's Bay Company for Tuesday, the 5th of January, for the purpose of electing a Governor in the room of the Right Hon. the Earl of Kimberley, and propose to postpone sending in their answer to Mr. Adderley's letter of the 1st instant† until after such election has been held.

I have, &c.
(signed) *C. M. Lampson*,
Deputy Governor.

No. 13.
Sir Curtis Lampson, Bart., to Sir Frederic Rogers, Bart.

22 Dec. 1868.

* Page 30.

† Page 27.

— No. 14. —

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
22 December 1868.

Sir,

I HAVE the honour to enclose, for the information of the Right Honourable the Secretary of State for the Colonies, extracts of letters recently received from Governor Mactavish, dated Fort Garry, Red River Settlement, 10th October and 11th November, from which it will be seen that the Canadian Government have intimated, through an agent sent to Red River by the direction of the Canadian Commissioner for Public Works, their intention to construct a road from Fort Garry to the Lake of the Woods, through the territory of the Company. A trespass upon the freehold territory of the Company must be committed in order to carry out this intention.

The Committee cannot but look upon this proceeding as a most unusual and improper one, especially as negotiations are at present pending for the transfer of the territory of the Company to Canada. This trespass will be an actual encroachment on the soil of the Company, and that too by a Government which has constantly, up to this time, and still disputes the right of this Company over that soil.

The Committee therefore ask for the intervention of Her Majesty's Government, but at the same time they beg leave to say that any application by Her Majesty's Government, or the Canadian Government, for permission to make this road will be favourably entertained.

I have, &c.
(signed) *C. M. Lampson*,
Deputy Governor.

No. 14.
Sir Curtis Lampson Bart., to Sir Frederic Rogers, Bart.

22 Dec. 1868.

Enclosure in No. 14.

EXTRACTS of Letters from Governor *Mactavish* to *W. G. Smith*, Esq., Secretary, dated, respectively, Fort Garry, Red River Settlement, the 10th October and 11th November 1868.

10th October.—“ I AM informed that the Canadian Government have forwarded, in charge of a Mr. Snow, a quantity of provisions, which Mr. Snow has written to one of the merchants here to provide freight for from Georgetown, and appointed the 15th instant as the date on which the supplies will be at Georgetown. Mr. Snow himself says nothing on the subject, but it is rumoured here that he comes up for the purpose of superintending the making of a cart-road from this place to the Lake of the Woods, and that the provisions he is bringing are to be used in payment of labour on the above road.”

11th November.—“ Mr. Snow, who I before advised you was expected here to superintend in making a road from this settlement to the Lake of the Woods, with a view to opening direct communication with Canada, arrived some time ago, and is now on the eve of commencing operations. He has brought in with him some provisions, with which he purposes paying for labour on the road. On his arrival here, he called on me to show his instructions from the Commissioner of Public Works. These contained nothing of any consequence beyond the expression of a hope on the part of the Commissioner that the Company's agent here would offer no opposition to Mr. Snow's operations, but would leave the matter entirely in the hands of the Imperial Government, which, as generally people here regard Mr. Snow's arrival as opportune, on account of the scarcity of provisions, I agreed to do; and without instructions to protest against Mr. Snow's action, I did not think it politic to do so.

— No. 15. —

No. 15.
Sir Frederic
Rogers, Bart., to
Sir Curtis Lamp-
son, Bart.
4 Jan. 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *Curtis Lampson*, Bart.

Sir,

Downing-street, 4 January 1869.

I AM directed by Earl Granville to acknowledge the receipt of your letter of 22nd ultimo,* stating that the Committee of the Hudson's Bay Company propose to postpone sending in their answer to Mr. Adderley's letter of 1st December, until after the election of a new Governor, in the room of the Right Hon. the Earl of Kimberley, for which purpose a General Court of the Proprietors has been summoned for Tuesday, the 5th inst.

I am to express Lord Granville's hope that the Committee will not allow any unnecessary delay to take place in coming to a decision upon the proposals contained in Mr. Adderley's letter.

I am, &c.
(signed) *Frederic Rogers*

— No. 16. —

No. 16.
Right Hon. Sir
S. H. Northcote,
Bart., to Sir
Frederic Rogers,
Bart.
13 Jan. 1869.

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., to Sir *Frederic Rogers*, Bart.

Sir,

Hudson's Bay House, London,
13 January 1869.

I HAVE the honour to acquaint you, for the information of Earl Granville, that I was elected by the shareholders of this Company, on Tuesday the 5th instant, to the office of Governor, vacant by the resignation of the Earl of Kimberley.

It now becomes my duty to address you in reply to Mr. Adderley's letter, dated the 1st December 1868,† which was received by my predecessor on the eve of his resignation, and to which, in consequence of that event, the Committee have not been able to send an earlier answer.

Before making any observations upon the particular topics discussed in Mr. Adderley's letter, I am desired by the Committee to assure Lord Granville that they continue sincerely anxious to promote the object, with a view to which this Company was reconstructed five-and-a-half years ago, viz., the gradual settlement of such portions of their territory as admit of colonisation; that they adhere to the opinion expressed in their resolution of the 28th August 1863, viz.: that the time has come when it is expedient that the authority, executive and judicial, over the Red River Settlement, and the south-western portion of Rupert's Land should be vested in officers deriving such authority directly from the Crown; and that they cheerfully accept the decision of Her Majesty's Government, communicated to them in Mr. Adderley's letter of the 23rd April 1868,‡ viz., that the whole of the Company's territory should, under proper conditions, be united with the Dominion of Canada, and placed under the authority of the Canadian Parliament.

Acting

* Page 31.

† Page 27.

‡ Page 22.

Acting in accordance with the wish of Her Majesty's Government, as conveyed to them in Mr. Elliot's letter of the 23rd January 1867,* the Committee have declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory, with a view to their colonisation, and have kept the whole question in abeyance during the time that the negotiations, which have led to the Confederation of the British Provinces constituting the Dominion of Canada, were proceeding. In the whole of that time they have taken no step which could give rise to fresh complications, or could place any new difficulty in the way of the admission of their territory into the Confederation when the proper moment should arrive; and when they were informed by Mr. Adderley's letter of the 23rd of April that the Parliament of Canada had addressed Her Majesty upon the subject, and were requested to state the terms which the Company would be prepared to accept, proceeding on the principle adopted in the interrupted negotiation of 1864, they unhesitatingly complied with the desire of the Government.

* Printed in Appendix III., page 76.

It is therefore with surprise, as well as with regret, that they have learnt from the letter now under reply, that the terms proposed by them, even when most strictly in conformity with the principles adopted in 1864, are considered by Her Majesty's Government to be inadmissible, and not to afford much prospect of an arrangement being come to. They find, for instance, that the stipulation that the Company should receive one shilling per acre on lands hereafter sold, which was originally suggested to the Committee by his Grace the late Duke of Newcastle, in Mr. Fortescue's letter of 11th March 1864,† and which has never hitherto been called in question, is the first point to which exception is now taken. Objections are also raised against several other proposals which have been long before the Government, while no notice at all is taken of some which have been made for the first time with a view to the protection of the Company's trade, and with regard to which the Committee are left in ignorance whether they are considered admissible or not.

† *Ibid*, page 68.

The Committee, although somewhat embarrassed by this apparent change in the spirit of the correspondence, desire me, however, to make the following observations upon some of the remarks contained in Mr. Adderley's letter, in order that there may be no misapprehension as to the bearing of their proposals.

The Committee are aware that, as is stated in Mr. Adderley's letter, in order to prepare the country for settlement, very considerable annual outlay will have to be incurred, and that for this charge the produce of the early sales of land is the natural resource; but they are at a loss to understand upon what ground it is alleged that their proposals would deprive the future Government of the ceded territory of "any prospect, for a long time at least, of receiving any income." The only part of the territory in which it is probable that any early or extensive settlement will take place is the part known as the Fertile Belt. It has been confidently asserted by independent persons who have travelled through the country that a great part of this land is not inferior in quality, or in advantages of climate, to the adjoining United States territory, now forming the State of Minnesota; and it has been justly pointed out that, being prairie land, it does not require much labour to render it fit for cultivation. But the price of land in Minnesota ranges, as the Committee are informed, from 5 s. to 1 l. per acre. The Committee think, therefore, that the fixed payment of 1 s. per acre, proposed by the Duke of Newcastle, and accepted by them as a basis of compensation, cannot be deemed to be unreasonable in so far as relates to land sold within the limits set forth in Sir Edmund Head's letter of the 11th November 1863.‡

‡ *Ibid*, page 66.

As regards any portions of land lying outside those limits which may possibly be sold, the Committee think it very improbable that such sales will take place except for mining purposes, in which case the payment of 1 s. an acre could hardly be deemed excessive. In order to save trouble and to obviate disputes, therefore, the Committee proposed the fixed payment of 1 s. per acre in respect of all sales, wherever they may take place; and they believe that the arrangement would have been, on the whole, more favourable to Canada than that suggested by Mr. Adderley.

Mr. Adderley proceeds to remark, with reference to Lord Kimberley's proposal, that the Company should retain certain reserves around their posts, that the reservations would amount to upwards of 500,000 acres. It was, however, stated by Lord Kimberley and the Deputy Governor, at an interview with the

Duke

*Appendix III.,
page 66.

Duke of Buckingham upon this subject, that the Committee were willing to confine their claim for reserves to the limits defined by Sir Edmund Head's letter of the 11th November 1863; that they were prepared to agree that such reservations should be measured by the importance of the posts to which they were to be attached, and should in no case exceed 3,000 acres. The total quantity of land to be retained by the Company under this arrangement would not exceed 50,000 acres. The Committee cannot agree to the absolute exclusion of these reserves from all frontage "to rivers or tracks, roads, or portages," which would render them entirely valueless, though they would have been ready to consider any reasonable limitation of these special advantages.

As regards the right of selecting lands for the Company in proportion to the quantities sold from time to time by the Government, the Committee desire to call Lord Granville's attention to the reasons given in Sir E. Head's letter of the 13th April 1864 for adopting this mode of reservation in preference to that of "setting apart beforehand a number of isolated tracts of wild land dotted over the surface of the Colony, and calculated to impede the free flow of settlement in the territory."

Their proposal was framed with reference to sales in the Fertile Belt only, and it never entered into their minds to contemplate such contingencies as those suggested in Mr. Adderley's letter. In order, however, to obviate all cavil upon this point, they would have been quite willing to limit the Company's right of selection to the case of lands sold or alienated within Sir E. Head's limits, provided that it were agreed that no alienations should take place beyond those limits, except either for distinctly public purposes, or for the *bond fide* carrying on of agricultural or mining operations. As regards Mr. Adderley's proposal, that the right of selection should be confined to five lots of 200 acres each, in each township as it is set out, the Committee can only remark that the character of this proposal must depend upon the size of the township, of which no indication has been given.

The Committee still adhere to the opinion, that under the peculiar circumstances of the proposed transfer of their territory, it would be reasonable that their wild lands should, for a limited time, be exempt from taxation, in order to allow them a fair opportunity of bringing them into profitable cultivation.

They observe that Mr. Adderley makes no reference to the 10th stipulation contained in Lord Kimberley's letter of the 13th May;† viz., that until the stipulated sum of 1,000,000 £ sterling has been paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company, nor any import duties on articles imported by them into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir Edmund Head's letter of 11th November 1863. This is a point to which the Committee attached very great importance. If it had been proposed by the Canadian Government to make a direct purchase of the Company's territory, and to pay the price for it at once, the Company would of course have accepted their fair share of the burdens which annexation might be expected to involve. But if the purchase-money is to be withheld until the Canadian Government have sold off 20,000,000 acres of the land, or have realised a considerable sum by the produce of mining operations, it is reasonable that the pressure of the fiscal burdens, which would fall almost exclusively upon the Company's trade should be suspended also. Otherwise it might happen that, in consequence of the neglect or the inability of the Canadian Government to proceed with the settlement of the territory, the Company would be subjected to very heavy contributions to the Colonial Treasury without receiving the smallest benefit in return. As an illustration of the extent to which they might thus be injured, were no limitation placed upon the Colonial power of taxation, I may observe that, according to the present Canadian tariff, the duty upon the value of the Company's imports alone would amount to about 20,000 £ a-year; while any export duty that might be laid upon their furs would operate still further to their disadvantage. The Committee feel confident that Lord Granville will acknowledge the reasonableness of their taking precautions against such a contingency.

The Committee have desired me to offer to Lord Granville these explanations of their proposals, in order to show that they have done their best to comply with the desire of Her Majesty's Government, that they should submit a scheme founded on the principles of the negotiations of 1864. They have not, however, failed to perceive, from an early period of the lengthened correspondence which

has

† Page 22.

has taken place between them and the Government, that those principles necessarily gave rise to many difficulties; and they have felt this the more strongly since the negotiations, originally commenced between the Company and Her Majesty's Government, have virtually become negotiations between the Company and the Government of Canada. They cannot disguise from themselves the danger which exists that arrangements so complicated, and involving so many topics for future discussion, are likely to lead to the Company's being placed in a position of antagonism to the Government of Canada, and to the creation of a state of things injurious not only to their own interests but to the welfare of the country itself.

They are sincerely anxious to co-operate with the Canadian Government in the settlement, development, and improvement of the territories with which they have been so long connected, and they believe that if the arrangements between them can be placed on a satisfactory footing, it will be in their power to render material assistance to the Colonial authorities in this respect. They believe that if a simpler arrangement than that which has recently been under discussion could be adopted, and if the Canadian Government were prepared to complete the purchase of the territory at once, by the payment of a sum of money or by the delivery of bonds, it would conduce to a more satisfactory result than the prolongation of a controversy as to the minute points of such a scheme as has been under consideration.

Should Lord Granville be of this opinion, and should his Lordship think it desirable to recommend any proposal of the kind to the Canadian delegates, this Committee will gladly place themselves in fuller communication with him on the subject.

I have, &c.
(signed) *Stafford H. Northcote*,
Governor.

— No. 17. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *Curtis Lampson*, Bart.

No. 17.
Sir *Frederic Rogers*, Bart., to
Sir *Curtis Lampson*, Bart.
28 January 1869.
* Page 31.

Sir,

Downing-street, 28 January 1869.

I LAID before Earl Granville your letter of the 22nd* ultimo, relating to an invasion of the rights of the Hudson's Bay Company, apprehended by them from certain steps taken under the authority of the Canadian Government.

A copy of your letter was, by his Lordship's direction, forwarded to Sir G. Cartier and Mr. M'Dougall, with a request that they would furnish any explanation it might be in their power to afford respecting the proceedings of the Canadian Government that were referred to; and I am desired to transmit to you, for the information of the Hudson's Bay Company, a copy of the letter which has been received from those gentlemen in reply.

I am, &c.
(signed) *Frederic Rogers*.

— No. 18 —

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., M.P., to Sir *Frederic Rogers*, Bart.

No. 18.
Right Hon. Sir
Stafford H. Northcote, Bart., M.P., to
Sir *Frederic Rogers*, Bart.

Sir,

Hudson's Bay House, London,
2 February 1869.

I HAVE the honour to acknowledge your letter of the 28th January, addressed to the Deputy Governor of this Company, enclosing a communication from Sir G. Cartier and Mr. M'Dougall on the subject of the recent proceedings of the Canadian Government in the matter of the construction of a road through the Company's territory, between Fort Garry and the Lake of the Woods.

After the distinct statement contained in Sir *Curtis Lampson's* letter of the 22nd December, that the Company, while protesting against a trespass on their land,

land, were prepared favourably to entertain any application for permission to make such a road, either on the part of the Imperial, or of the Canadian Government, the Committee think it unnecessary to discuss the greater portion of the letter of the Canadian Ministers. Their objection is not to the road being made, but to its being undertaken by the Canadian Government as a matter of right, as though the territory through which it is to pass were Canadian. Such a step, taken at a moment when negotiations are in progress for the transfer of the Company's possessions to Canada, and taken by a Government which openly disputes their title to this portion of them, could not have been allowed to pass unchallenged without derogating from the Company's rights. The Canadian Government themselves seem to have been alive to this. Mr. Mactavish states that the agent of that Government (Mr. Snow), on arriving at the Red River, communicated to him his instructions from the Commissioner of Public Works in Canada, containing the expression of "a hope on the part of the Commissioner that the Company's agent here would offer no opposition to Mr. Snow's operations, but would leave the matter entirely in the hands of the Imperial Government." Governor Mactavish, upon this, very properly allowed Mr. Snow to commence his operations; and so far as this Company is concerned, no impediment has been, or will be, offered to the prosecution of the work.

If it were worth while to discuss that part of the letter of the Canadian Ministers which refers to the circumstances under which the construction of the road was ordered, the Committee would be able to show that the Company had in no way failed in their duty to the Colony, but that they had promptly taken measures for the relief of its inhabitants, and had supplied large sums, both by direct grants and by subscriptions raised under their auspices for that purpose, at a period anterior to the appropriation of the Canadian Road Grant. They would also be able to point out how the delay which has occurred in opening up communications, and otherwise developing the resources of the Red River Settlement, is due to the restraint which has been imposed upon them by Her Majesty's Government at the request of Canada, and not to any negligence or indifference of their own.

But the Committee desire to avoid the raising of a false issue, and they accordingly instruct me to re-state to Earl Granville the precise complaint which they have to make. It is this: That while negotiations are going on for the acquisition of their territory by Canada, the Canadian Government are endeavouring to exercise rights of ownership over a portion of that territory to the exclusion of the Company, and to the prejudice of their title. This they are doing by virtue of an old claim which they have repeatedly advanced, which the Company have invariably disputed and have declared themselves ready to contest before a court of law, and which Her Majesty's Government, acting under the advice of various Law Officers of the Crown, have declined to endorse. The Canadian Government have hitherto shown no inclination to bring their claim to the test of a judicial decision, and in the absence of any such decision, the Committee consider it not unreasonable to ask that due respect should be paid to the Company's uninterrupted possession of the territory for two centuries, and to the numerous and weighty legal opinions which have from time to time been given in their favour.

In appealing to Earl Granville for support in this matter, instead of entering into a controversy with Canada, or taking legal steps to enforce the Company's rights, the Committee have been actuated by a desire to proceed as far as possible in accordance with the views and wishes of Her Majesty's Government, as they have endeavoured to do throughout the pending negotiations for the establishment of a settled form of government at the Red River. They desire now respectfully but confidently to claim the support and protection of the Colonial Minister against any invasion of the Company's rights which may have been prompted or facilitated by the policy which they have adopted in order to meet the wishes of the Colonial Office.

I have, &c.

(signed) *Stafford H. Northcote,*
Governor.

— No. 19. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

No. 19.
Sir Frederic
Rogers, Bart., to
the Right Hon.
Sir Stafford
Northcote, M.P.
22 February 1869.

9 February 1869,
page 52.

Sir,

Downing-street, 22 February 1869.

I AM directed by Earl Granville to enclose, for the information of the Directors of the Hudson's Bay Company, the copy of a letter which his Lordship has received from Sir G. Cartier and Mr. M'Dougall. As the greater part of that letter relates to matters on which the Company and the Colony cannot be expected to agree, and on which Her Majesty's Government has no authority to decide their differences, Lord Granville has felt some doubt whether the settlement of the question would be advanced by forwarding this letter. He considers it, however, necessary to do so, and in doing so to explain clearly the position which he considers himself to occupy.

It appears that his Lordship's predecessor entertained the hope that he would be able to arrange the terms of a compromise, under which, with consent of both parties, the sovereignty of the Hudson's Bay Company's Territory would be transferred to the Dominion of Canada.

With this view his Grace made to the Company a proposal, respecting which Sir G. Cartier and Mr. M'Dougall write as follows:—

"The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last,* were not made at our suggestion, although we were disposed to think (and so informed his Grace) that if the Company accepted them, the Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories, on the conditions specified."

* Page 27.

Your letter of the 13th ultimo† may be considered as a rejection of those proposals, and as thus terminating the negotiations instituted by the Duke of Buckingham and Chandos. But in your letter you propose that the matter should be settled by the immediate payment of a fixed sum of money, or by the delivery of bonds, and you express yourself prepared to enter into fuller communication with Lord Granville on this subject.

† Page 32.

It is, of course, obvious that this negotiation for the purchase of the Hudson's Bay Company's Territory is really between the seller and the buyer, the Company and the Colony; and Lord Granville is of opinion that if the negotiation is revived on this or any other basis, Her Majesty's Government can at present do no good by assuming to frame or suggest terms of accommodation, but can merely offer to act as a channel of communication between these two real parties to the transaction, using its best endeavours to remove any difficulties not inherent in the nature of the case.

Acting on this view, Lord Granville communicated to Sir G. Cartier and Mr. M'Dougall a copy of your letter of the 13th. The enclosure to this letter is the answer which he has received.‡

‡ 9 Feb. 1869.
Page 52.

The material sentences, for the present purpose, are those with which the letter concludes.

You will observe that the representatives of the Colony state the principles on which they consider the cost of the territory should be calculated, indicating the opinion that the sum of 106,431 £. is the highest which could on any hypothesis properly be demanded by the Company, and express their strong conviction that no money offer which either the Imperial or Canadian Government would deem reasonable would be accepted by the Company. Assuming this to be the case, they ask, on the part of the Dominion Government, either the immediate transfer of the sovereignty of the whole territory, subject to the rights of the Company, or a transfer of the sovereignty and property of all the territory not heretofore validly granted to, and now held by, the Company under its charter.

Under these circumstances, Earl Granville directs me to communicate to you the enclosed letter, which, taken in connection with previous correspondence, appears to him to leave little present hope of bringing matters to a settlement by way of compensation. If the Directors of the Company should still think any such arrangement possible, his Lordship will, of course, be prepared to transmit to the Canadian representatives any modified proposal on the part of the Company.

pany. Failing this, he thinks it proper to invite from the Directors, not any argument respecting the true nature and extent of the Company's claims, from which, as not being before a court of law, he could anticipate no result, but a statement of any objections they may have, whether of principle or detail, to the two counter-proposals now made by Sir G. Cartier and Mr. M'Dougall on behalf of the Canadian Dominion.

And it might not be immaterial to add what course the Company would propose to take for securing that life and property are adequately protected and international obligations duly performed in their territory, so long as they remain responsible for its government.

I am, &c.
(signed) *Frederic Rogers.*

— No. 20. —

No. 20.

Right Hon. Sir
Stafford Northcote,
M. P., to Sir
Frederic Rogers,
Bart.

26 February 1869.

* Page 37.

† Page 32.

COPY of a LETTER from the Right Honourable Sir *Stafford H. Northcote*, M.P.,
to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
26 February 1869.

Sir,

I HAVE the honour to acknowledge your letter of the 22nd instant,* transmitting by Earl Granville's direction, a copy of a letter addressed to his Lordship by Sir George Cartier and Mr. M'Dougall, on the subject of my letter to yourself, dated the 13th ultimo.†

The Committee of the Hudson's Bay Company, understand from your letter, that it is not Earl Granville's wish that they should enter into a discussion of the communication from the Canadian delegates, and they therefore refrain from making any comments upon its tone, or criticising and correcting its assertions. If there are any of those assertions to which Earl Granville, himself, attaches weight, the committee will gladly, on their being pointed out to them, offer such observations upon them as may appear to be necessary.

As regards the manner in which the Canadian delegates treat the suggestion contained in my letter of the 13th ultimo, that the Canadian Government should complete the purchase of the Company's territory at once, by the payment of a sum of money, or by the delivery of bonds, the Committee desire me to observe, that they might have had some difficulty in gathering from the terms in which the delegates express themselves, whether they were or were not prepared to entertain that suggestion, and to open a negotiation with this Company. But as Earl Granville, who has had personal communication with the delegates, is of opinion that their letter, taken in connection with previous correspondence, leaves little present hope of bringing matters to a settlement by way of compensation, the Committee are forced to adopt the conclusion, that it is intended as a virtual refusal on the part of the delegates to entertain the question in a serious spirit.

Should Earl Granville come to the conclusion, that it is desirable that the Committee should renew the offer of communicating fully with him on the subject of a money sale, which they made in my letter of January 13th, they will hold themselves prepared to do so. For the present, and in accordance with what they gather to be his Lordship's views, they consider this matter at an end.

It becomes my duty, then, to answer Earl Granville's question (1), whether the Committee have any objections, either of principle or of detail, to make to the "counter-proposals" of Sir G. Cartier and Mr. M'Dougall, and (2), what course the Company would propose to take for securing that life and property are adequately protected, and international obligations duly performed in their territory, so long as they remain responsible for its government.

With regard to the first of the two counter-proposals, viz., that the sovereignty of the whole of the territory in question should be immediately transferred to the Dominion Government, "subject to the rights of the Company," the committee desire to ask whether it is intended that the rights of the Company should be ascertained and defined before the transfer takes place, or after it. If the
former

former be Earl Granville's intention, the Committee have no kind of objection to offer to the proposal; but if it be meant that the transfer should take place first, and that the rights of the Company should then be made the subject of litigation in Canada, with a right of appeal to the courts of this country; I must remark that such a course is likely to lead to much inconvenience, expense, and annoyance to all parties concerned, as well as to prove detrimental to the interests of the settlement itself, by the prolongation of an irritating and disturbing controversy. As regards the injustice to this Company involved in such a proposal, I beg leave to refer Earl Granville to Sir E. Head's letter of the 25th January 1868,* to the Duke of Buckingham and Chandos, in which a similar proposal is very ably discussed, and to which, and to the extracts from speeches delivered in the Canadian Parliament, which it encloses, the Committee desire to invite Earl Granville's particular attention.

* Page 17.

The second counter-proposal is, for a transfer to the Dominion Government of both the sovereignty and the property of "all the territory not heretofore validly granted to, and now properly held by the Company under its Charter." Upon this proposal also, the Committee desire respectfully to ask whether the limits of the territory so to be transferred, are to be distinctly set out in the instrument of transfer, so that there may be no room for disputes as to the limits of the respective jurisdictions. Even with the utmost care in this respect, the Committee cannot but feel apprehensive that difficulties will arise in dealings with the Indians, and with the various classes of hunters and traders frequenting those distant regions, if two different systems of administration are introduced into those portions of the extreme North Western Territory, which would be affected by the proposed transfer; especially as the great distance of that territory from Canada, and the difficulty of the communications, will render its administration by the Dominion Government very troublesome. Should, however, Her Majesty's Government decide on this measure, the Committee will do all in their power to arrive at a good understanding with the Dominion Government as to the details of the arrangements which should be made in the two portions of the now united territory, and to facilitate the establishment of a strong administrative system in both.

As regards any transfer of the sovereignty without a distinct definition of the limits to be assigned to it, and by virtue merely of vague general words, the Committee feel that they need not point out to Earl Granville that such a step would not only be open to the objections which I have already mentioned in the case of the former counter-proposal, but to the further and very serious one that it must lead to constant conflicts of authority, and to frequent political embarrassments.

The Company can hardly be expected to provide for the security of life and property, and the due performance of international obligations, if their boundary is left unsettled, and their title to important parts of their territory unrecognised. It is, probably, unnecessary for me to pursue this argument at any length.

I have now to advert to the last question put by Earl Granville—that relating to the course which the Company would propose to take for the government of their territory so long as they remain responsible for it. The Committee desire me in the first place to remind his Lordship that they have no authority to give a pledge on the part of the shareholders of the Company, and that they can only undertake to submit certain proposals to them, and to use their own influence to secure their adoption.

Subject to this reservation, the Committee are prepared to enter at once into free communication with Earl Granville as to the measures which should be adopted for the purpose to which he adverts. As his Lordship is aware, a resolution was agreed to by this Committee, as long ago as in August 1863, to the effect that, in the opinion of the directors, it was expedient that the authority, executive and judicial, over the Red River Settlement and the south-western portion of Rupert's Land should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty.

In adopting this resolution, the Committee intended to indicate their desire for the establishment of a Crown Colony in this portion of their territory. They still believe that this would be the most satisfactory plan that could be pursued, and they are prepared to discuss it with Her Majesty's Government if they are encouraged to do so.

I am to state that the Committee would be willing either to advise the sur-
render

render of such proportion of the Company's proprietary rights as might be found to be a fair equivalent for the charge which the establishment of a Crown Colony would throw upon the Imperial Exchequer, or to recommend the Company, retaining its proprietary rights, to take upon itself the whole of the pecuniary burden. The Committee are satisfied that a territory which, in the present undeveloped state of its communications, supports a trade of the annual value of more than 400,000 *l.*, and which possesses a large amount of highly fertile soil, requiring no great expenditure for its clearance and cultivation, is perfectly capable of supporting the expense of any government that it may be required to maintain; and they have little doubt that, if the state of the case were fairly laid before the shareholders, and if the moral support of the Imperial Government were distinctly assured to them, the necessary funds would readily be forthcoming.

Of course if Her Majesty's Government should be of opinion that the great objects in view could be equally well attained by the exercise of the powers actually possessed by, or which might be granted to, the Company, and should consider that it would be preferable to adopt this method of government rather than to erect the territory into a Crown Colony, the Committee would at once fall in with such a suggestion, and would request Earl Granville to state to them what establishments would, in the opinion of Her Majesty's Government, be sufficient to meet the necessities of the case.

It can hardly be necessary for me to add that in the event of such an arrangement being made, the Company would rely upon the cordial co-operation of the Government in submitting any needful measure to Parliament, and in protecting the Settlement from any trespass or interference on the part of Canada.

In conclusion, I am to observe that it is on many accounts important that the directors of this Company should soon communicate to the shareholders the progress of this negotiation, and should lay the correspondence before them. They trust that Earl Granville will have no objection to their doing so.

I have, &c.
(signed) *Stafford H. Northcote*,
Governor.

— No. 21. —

No. 21.
Sir Frederic
Rogers, Bart.,
to the Right Hon.
Sir Stafford
Northcote, M.P.
9 March 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Hon. Sir *Stafford H. Northcote*, M.P.

Sir,

Downing-street, 9 March 1869.

EARL GRANVILLE has had under review the correspondence which has passed respecting the proposed transfer to Canada of the jurisdiction and territorial rights of the Hudson's Bay Company in North America.

It is, in Lord Granville's opinion, of very great importance that this question should be settled on a permanent footing, and with little delay. He does not disguise the interest which Her Majesty's Government have in this Settlement. It is not creditable to this country that any inhabited part of Her Majesty's dominions should be without a recognised government, capable of enforcing the law, and responsible to neighbouring countries for the performance of international obligations. The toleration of such a state of things in parts of the Hudson's Bay Company's Territory, is unjust to the inhabitants of that territory, and is not without danger to the peaceful relations between this country and the United States, and this danger and injustice are likely to increase in proportion as the mining and agricultural capabilities of what is called the "Fertile Belt," begin to attract settlers from the east and south.

To Canada the settlement of the question is not less important, as removing a cause of irritation between it and its neighbours, and even with the mother country itself, as destroying an obstacle to that which has been looked upon as the natural growth of the Dominion, as likely to open an indefinite prospect of employment to Canadian labour and enterprise, and lastly as enlarging the inducements which Canada is able to offer to the British immigrant. It is no small matter that it would enable Her Majesty's Government at once to annex

to

to the Dominion, the whole of British North America proper, except the colony of British Columbia.

To the Hudson's Bay Company, it may almost be said to be necessary. At present the very foundations of the Company's title are not undisputed. The boundaries of its territory are open to questions of which it is impossible to ignore the importance. Its legal rights, whatever those may be, are liable to be invaded without law, by a mass of Canadian and American settlers, whose occupation of the country on any terms they will be little able to resist, while it can hardly be alleged that either the terms of the Charter, or their internal constitution are such as to qualify them under all these disadvantages, for maintaining order, and performing the internal and external duties of government.

The prejudicial effect that all these uncertainties must have on the value of the Company's property is but too evident.

The interest of all parties thus evidently pointed towards an immediate and definite adjustment, Lord Granville has been most unwilling to abandon the hope of bringing it about, by way of amicable compromise. He is fully alive to the difficulties of such a compromise. He does not conceal from himself that the estimate which the Company form of the nature and value of their rights, is widely different from that which is formed by the gentlemen who represent Canada. Nor can he undertake to express any opinion whatever, as to the relative correctness of those estimates. Indeed it would be impossible to do so without knowing to what extent the claims of the Company would be supported by the judgment of a court of law.

But after repeated communications with both parties his Lordship is convinced that he will be serving the interests of the Dominion, of the Company, and of this country, by laying before the Canadian representatives and the directors of the Company a distinct proposal which, as it appears to be, it is for the interest of both parties to accept, and in support of which Her Majesty's Government would be prepared to use all the influence which they could legitimately exercise.

If the proposal is really an impartial one, Lord Granville cannot expect that it will be otherwise than unacceptable to both of the parties concerned. But he is not without hope that both may find, on consideration, that if it does not give them all that they conceive to be their due, it secures to them what is politically or commercially necessary, and places them at once in a position of greater advantage with reference to their peculiar objects than that which they at present occupy.

The terms which his Lordship now proposes, are as follows :—

1. The Hudson's Bay Company to surrender to Her Majesty all the rights of government, property, &c., in Rupert's Land, which are specified in 31 & 32 Vict. c. 105, s. 4, and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.

2. Canada is to pay to the Company 300,000 *l.* when Rupert's Land is transferred to the Dominion of Canada.

3. The Company may, within 12 months of the surrender, select a block of land adjoining each of its stations, within the limits specified in Article 1.

4. The size of the blocks is not to exceed acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

5. So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

6. The Hudson's Bay Company may, for 50 years after the surrender, claim in any township or district within the Fertile Belt, in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out. The blocks so granted, to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses not exceeding an acre.

7. For the purpose of the present agreement, the Fertile Belt is to be bounded

as follows:—On the south by the United States boundary, on the west by the Rocky Mountains, on the north by the northern branch of the Saskatchewan, on the east by Lake Winnipeg, the Lake of Woods, and the waters connecting them.

8. All titles to land, up to the 8th March 1869, conferred by the Company, are to be confirmed.

9. The Company is to be at liberty to carry on its trade without hindrance in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any impost duty on goods introduced by them previous to the surrender.

10. Canada is to take over the materials of the electric telegraph at cost price; such price including transport, but not including interest for money, and subject to a deduction for ascertained deterioration.

11. The Company's claim to land under agreement of Messrs. Vankoughnet & Hopkins to be withdrawn.

12. The details of this arrangement, including the filling up the blanks in Articles 4 and 6, to be settled at once by mutual agreement.

It is due both to the representatives of Canada and to the Company to add, that these terms are not intended by Lord Granville as the basis of further negotiation, but a final effort to effect that amicable accommodation, of which he has almost despaired, but which he believes will be for the ultimate interest of all parties.

If this be rejected, either on behalf of the Company or on behalf of the Dominion, his Lordship considers that his next step must be to procure an authoritative decision as to the rights of the Crown and the Company, and with this object he will recommend Her Majesty to refer their rights for examination to the Judicial Committee of the Privy Council, whose decision will form a basis for any future legislative or executive action which Her Majesty's Government may find necessary.

Whatever may be the result of this proposal, his Lordship desires to express his sense of the openness and courtesy which he has experienced throughout these negotiations, both from the representatives of Canada and from the Governor and Deputy Governor of the Company, and the patience with which they have entertained proposals which, from their point of view, must no doubt have appeared inadequate.

Lord Granville is aware that a proposal of this kind will require consideration, but he hopes that you will lose no time beyond what is necessary in acquainting him with your decision.

I am, &c.
(signed) *Frederic Rogers.*

— No. 22. —

No 22.

Right Hon. Sir
Stafford H. North-
cote, Bart., to Sir
Frederic Rogers,
Bart.

22 March 1869.

* Page 40.

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., to
Sir *Frederic Rogers*, Bart.

Sir,

Hudson's Bay House, London,
22 March 1869.

IN reply to your letter of the 9th instant,* transmitting the terms of a proposal which Earl Granville recommends for the adoption of this Company, and of the Canadian representatives, I have the honour to inform you that the Committee have given their most careful consideration to that proposal, and that they have been in communication with the Canadian Ministers on some points connected with it, and I am to transmit to you a copy of the correspondence which has taken place with them.

The Committee have summoned a special general court of the proprietors on Wednesday next to consider the proposed terms, and they have come to a resolution that they will recommend the court to adopt the proposal.

I am

PAPERS RELATING TO RUPERTS LAND.

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I am desired by the Committee to invite Earl Granville's attention to the 6th of the resolutions adopted at their meeting on the 12th instant, relating to the salary of the Bishop of Rupert's Land, and to the observations of the Canadian representatives thereon.

The Committee, while acknowledging the force of the objections urged by the Canadian Ministers to the endowment, out of the public revenues of Canada, of an Anglican Bishopric of Rupert's Land, desire to point out to Earl Granville that the Hudson's Bay Company have entered into a legal contract, in their capacity of owners of the territory which is now to be transferred to Canada, by which they are bound to continue this endowment in perpetuity. It is manifestly reasonable that on ceding the territory they should be relieved of this obligation; and the Committee desire me to suggest for Earl Granville's consideration, that the object might be attained in the simplest manner, by Canada consenting to pay to the Company a fixed sum, as a compensation for vested interests, or under any other name that might be preferred, which sum the Company would invest for the support of the bishopric.

I have, &c.
(signed) *Stafford H. Northcote*,
Governor.

Enclosure in No. 22.

My dear Sir George Cartier,

86, Harley-street, 11 March 1869.

THE directors of the Hudson's Bay Company have held a meeting to-day to consider Lord Granville's letter. Before, however, they can form a judgment on his proposals, they are anxious to have some explanation on points which do not appear very clear to them. Encl. in No. 22.

Without entering into the question of the value of their territory for purposes of colonisation, they feel that its possession is of very great value to the Company as a basis for the promotion of their trade, and they are anxious to satisfy themselves that, if it is surrendered, some adequate security will be afforded for their trading interests.

The two points upon which we are anxious for information are these: first, what will be the position of the Company with reference to the territory lying outside the Fertile Belt; and, secondly, what will be the nature and probable limit of the burdens which will be laid upon our property within that district.

Regarding the country lying outside the Fertile Belt as a hunting ground alone, we presume: 1st. That we shall be at liberty to hunt over it freely, and without being subjected to any license, tax, or other similar impost; 2nd. That we shall be granted a title to our posts, and to such adjoining land as may be necessary for their maintenance, and for supplying pasture and wood; 3rd. That we shall be allowed to cut such wood as we may require in any part of the territory.

In addition to these rights, we should much like to suggest that it would be for the interest of the Company, and still more for that of Canada, that Canada should give us for a limited period some special control over the importations into the hunting country, so as to enable us to keep spirits from the Indians.

With regard to the taxes which may be laid on our lands within the Fertile Belt, we presume that with respect to their wild and unsold lands, the Company will stand on the same footing as the Canadian Government, that is to say, on the footing of a proprietor and not of an alienee, and will therefore not be subject to taxation until the land is sold or brought into cultivation.

Can you let me have an answer to this letter before 12 o'clock to-morrow, as we are to hold a meeting at two to consider the question further?

I remain, &c.
(signed) *Stafford H. Northcote*.

Sir George E. Cartier, Bart.

Dear Sir George Cartier,

Hudson's Bay House, 12 March 1869.

I AM desired by the Committee of this Company to forward to you a copy of the inclosed resolutions, which have been adopted at our meeting to-day, and to request that you will favour me with an answer, which I may lay before the Committee at their meeting on Tuesday next.

I remain, &c.
(signed) *Stafford H. Northcote*.

At a Special Committee held on the 12th of March 1869, at the Hudson's Bay House, to reconsider Letter from Sir Frederic Rogers, Bart., dated Downing-street, 9th March 1869:

The Governor reported that Sir G. Cartier and Mr. M'Dougall had explained to him the system of municipal taxation to which the Company would be subject in respect of their lands.

Resolved,—That this Committee will recommend the shareholders to accept the proposal of Lord Granville, if the Canadian Ministers will agree to the following modifications:

1. That Canada will lay no export duty on furs.
2. That the 6th Article be modified so as to allow the Company to defer exercising their right of claiming their proportion of each township for not more than 10 years after it is set up.
3. That no charge be made upon the Company for the expenses of survey.
4. That the proportion of land which they are allowed to claim be increased from one-twentieth to one-tenth.
5. That York and Moose factories be retained as ports of entry.
6. That Canada undertakes to pay the 300 £. a year now paid to the Bishop of Rupert's Land, and other charges of a public character now borne by the Company.
7. That some provision be made for referring to arbitration any question which may arise out of the agreement.

To Sir Stafford Northcote, M.P., Governor.

Westminster Palace Hotel, London,
15 March 1869.

Sir,

WE have the honour to acknowledge the receipt of a copy of certain resolutions adopted by the Governor and Committee of the Hudson's Bay Company on the 12th instant, suggesting important modifications of the proposal of Lord Granville for the transfer of Rupert's Land to Canada.

We beg you will inform the Committee that in our opinion the proposal of Lord Granville is much more favourable to the Hudson's Bay Company than any previous proposal of the Imperial Government, and much more onerous to Canada than its Government and people have been led to expect. With great reluctance, we have consented to recommend Lord Granville's proposal, if accepted by the Company *pure et simple*, but not otherwise, to the favourable consideration of the Canadian Government. The modifications and additions proposed by the Committee are not, in our judgment, "details" within the purview of the 12th Article of Lord Granville's proposal, but substantive and material changes, affecting the very basis of the arrangement. We cannot, therefore, assent to them, or undertake to recommend their acceptance by the Canadian Government.

We have further to observe that, in making these demands upon us, the Committee assume that the changes they propose will be accepted or approved by the Imperial Government. If we are correctly advised, the Committee are not warranted to make that assumption. In the letter of Sir Frederic Rogers, communicating to us a copy of Lord Granville's proposal, we are assured that it conveys "the views of Her Majesty's Government," and in the letter conveying these views to the Company, it is stated that "these terms are not intended by Lord Granville as the basis of further negotiations." It follows, we think, that Lord Granville's proposal is to be regarded as the *ultimatum* of the Imperial Government, and must be accepted or rejected in its entirety. The Act 31 & 32 Vict. c. 105 (which was not introduced at the instance, or passed in the interest of the Canadian Government), placed the negotiation of the terms of surrender by the Company to the Crown in the hands of Her Majesty's Imperial Government, where, until the Act is repealed or the negotiation fails, we are of opinion it must remain.

We shall be glad to confer with you upon all questions of "detail" which, by the terms of Lord Granville's proposal, are left to be adjusted between the Canadian Government and the Hudson's Bay Company.

We have, &c.
(signed) Geo. E. Cartier.
Wm. M'Dougall.

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To Sir G. E. Cartier, Bart., and the Hon. William McDougall, C.B.

Hudson's Bay House, London,
16 March 1869.

Gentlemen,

I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, in reply to my letter to Sir G. Cartier, in which I enclosed to you a copy of the resolutions adopted at the meeting of the Committee of the Hudson's Bay Company on the 12th inst.

It is unnecessary for me to enter into the question you raise as to whether Earl Granville would or would not accept any modifications of the terms set forth in his Lordship's recent communication to this Committee, if they should be agreed to by this Committee on the one hand, and by yourselves on the other. While stating that he regarded those terms as not being intended as the basis of further negotiations, Lord Granville added that he left the details of the arrangement to be settled by mutual consent. The greater part of the resolutions transmitted to you in my letter of the 12th, were resolutions intended to lead to a settlement of certain details, on which it will be necessary for the Committee to offer full explanation to the shareholders of the Company, if they decide on submitting Earl Granville's proposals to a general meeting.

If, in your opinion, any of them go further than this, the Committee will be ready to reconsider them, and to confer with you upon them.

As regards the resolution, by which the Committee proposed that the amount of land to be left to the Company should be one-tenth instead of one-twentieth, I am to state that the Committee have rescinded that resolution.

They will await a communication from you with regard to the other resolutions, before coming to a conclusion as to the course they should adopt.

I am, &c.
(signed) *Stafford H. Northcote.*

To the Right Honourable Sir Stafford Northcote, Bart.

Sir,

Westminster Palace Hotel, 18 March 1869.

WE have the honour to acknowledge your letter of the 16th inst., in which you inform us that the Committee of the Hudson's Bay Company have rescinded the resolution adopted on the 12th inst., asking for one-tenth instead of one-twentieth, as proposed by Lord Granville, of the land which may be surveyed for settlement in the surrendered territory. You further state that if the other resolutions go further than the "details of the arrangement" left by Lord Granville to be "settled by mutual consent," the Committee are ready to reconsider them.

1. With reference to the first resolution, "That Canada will lay no export duty on furs," we beg you will inform the Committee that it is not the policy or the practice of the Canadian Government to resort to export duties as a source of revenue. We feel no hesitation in stating our firm belief that no such duties as the Committee wish to prohibit will be levied, but it would obviously be improper for us to consent to any arrangement that would fetter the free action of the Canadian Parliament in respect to modifications of the tariff which the future exigencies of the country may render necessary.

2. The proposal to modify the 6th Article, so as to permit the Company to defer the exercise of the right of claiming their proportion of lands in any township for a period of 10 years after survey, might, we think, be agreed to, on condition that they limit their claim to allotment from the lands which may be unsold at the time they declare their intention to take their proportion in that township.

3. The demand to be relieved from the expenses of survey, which Lord Granville proposed the Company should bear, is not, we think, a "detail" within the meaning of the 12th Article. But if it will remove the apprehension that charges under this stipulation may become excessive, we see no objection to a proviso that the expense to the Company for the survey of the lands allotted to them shall in no case exceed 10 cents per acre.

4. We have no doubt that York and Moose factories will be retained as ports of entry, if goods continue to be imported there. But if, by the opening of interior communications, the trade should be diverted to other ports, it would not seem reasonable that the Government should be bound to maintain customs establishments at Hudson's Bay. The practice of the Canadian Government is to establish ports of entry wherever the interests of trade and commerce require them, and we do not therefore think it either necessary or expedient to make any stipulation on the subject.

5. The demand that the salary of the Anglican Bishop of Rupert's Land should hereafter be charged upon the Canadian Treasury, cannot be regarded as a "detail" within the 12th Article of Lord Granville's proposal. The surrender of the rights and powers of government by the Company will necessarily involve the assumption of "all charges of a public character" in the new government. But an agreement to continue the charges "now borne by the Company," *eo nomine*, would so far perpetuate a system, which the transfer of the territory to Canada is intended to supersede.

6. The

6. The last proposal of the Committee is open to very serious objections. The surrender of the powers of government and of territorial jurisdiction by the Company to the Crown, and the transfer of these powers to the Canadian Government, are acts of State, authorised by Imperial Statute, and will have all the force and permanence of fundamental law. The proposal to refer all questions which may arise under this law to some extra-constitutional tribunal is not warranted by the British North America Act, and would, we fear, if adopted, create confusion and embarrassment, and postpone indefinitely the establishment of a satisfactory government in Rupert's Land.

We must decline to admit, even by implication, that the judicial tribunals, and the general and local authorities of the Dominion, will fail to understand, or hesitate to respect and carry out in good faith, all the terms and conditions of the proposed arrangement

We have, &c.
(signed) *Geo. E. Cartier.*
Wm. M. Dougall.

— No. 23. —

No. 23.

Sir F. Rogers,
Bart., to the Right
Hon. Sir Stafford
H. Northcote,
Bart., M.P.
24 March 1869.
* Page 42.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

Sir,

Downing-street, 24 March 1869.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 22nd instant.* As regards the payment of the salary of the Anglican Bishop of Rupert's Land, in the event of the transfer to Canada of the territorial rights of the Hudson's Bay Company. Lord Granville desires me to state that, having informed each party that his proposal was intended as final, and not as a basis for further negotiation, he is precluded from giving his sanction to any additional condition, unless agreed to by both sides, when, if not opposed to any general principle, he will be happy to concur.

I am, &c.
(signed) *Frederic Rogers.*

No. 24. —

No. 24.

From Sir Frederic
Rogers, Bart., to
the Right Hon.
Sir Stafford H.
Northcote, Bart.,
M.P.
3 April 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

Sir,

Downing-street, 3 April 1869.

I AM directed by Earl Granville to enclose, for your information, a copy of a letter addressed by him to Sir G. Cartier and Mr. M'Dougall, and a letter which he has received from them in reply, in which they intimate their acceptance of the terms proposed to you and them for the surrender of the territorial and other rights of the Hudson's Bay Company in Rupert's Land.

I am to add that his Lordship has been informed, in conversation by these gentlemen, that they believe that the Canadian Government will agree to those terms, and have a confident hope that their Parliament will not reject them; and they added, that in the event of the transfer taking place, the Hudson's Bay Company might rely upon the justice and goodwill of the Government and Parliament of Canada.

I am, &c.
(signed) *Frederic Rogers.*

Sir F. Rogers to
Sir G. Cartier and
Mr. M'Dougall,
9 March 1869,
page 63.

Sir G. Cartier
and Mr. M'Dougall
to Sir F. Rogers,
27 March 1869,
page 64.

— No. 25. —

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., M.P.,
to Sir *Frederic Rogers*, Bart.

No. 25.
Right Hon. Sir
Stafford H. North-
cote, Bart., M.P., to
Sir *Frederic*
Rogers, Bart.
10 April 1869.

Sir,

Hudson's Bay House, London, 10 April 1869.

I HAVE the honour to acquaint you, for the information of Lord Granville, that at a meeting of the Hudson's Bay Company held on the 9th instant, the following resolution was adopted by a large majority of the proprietors specially summoned to consider the proposal contained in your letter of the 9th ultimo,* for the surrender of the Company's territory, &c. to Her Majesty:—

*Page 40.

"That it is expedient to accede to the terms proposed in the communication above referred to, and to surrender to Her Majesty all this Company's territorial rights in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia, and that the Governor and Committee be, and they are hereby authorised to make such surrender, on being assured that the terms have been agreed to by the Government and Parliament of Canada, provided that the acceptance of the terms by the Government and Parliament of Canada shall have been signified to them by Her Majesty's Secretary of State for the Colonies within six months after the passing of this resolution, and that for that purpose the Governor and Committee concur in all such measures as may be found necessary for effecting such surrender, and for securing to the Company the rights and reservations to which, by the terms of the letter from Sir *Frederic Rogers*, this Company will be entitled."

I have, &c.

(signed) *Stafford H. Northcote*, Governor

— No. 26. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable
Sir *Stafford H. Northcote*, Bart., M.P.

No. 26.
Sir *Frederic*
Rogers, Bart., to
the Right Hon.
Sir *Stafford H.*
Northcote, Bart.,
M.P.
17 April 1869.
†Page 40.

Sir,

Downing-street, 17 April 1869.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 10th instant conveying the conditional acceptance by the Hudson's Bay Company of the terms proposed by his Lordship in the letter from this office of the 9th ult.,† for the transfer of the Company's territories to the Crown. His Lordship has received this announcement with great satisfaction, and has not failed to communicate it to the Governor General of Canada. He trusts that no long period may elapse before the conditions of settlement thus accepted by the Company will be adopted by the Parliament of Canada, and that the transfer which Her Majesty will then be authorised to effect, will prove a source of increasing prosperity both to the inhabitants of that Dominion and to the proprietors of the Hudson's Bay Company.

I have, &c.

(signed) *Frederic Rogers*.

— No. 27. —

COPY of a LETTER from the Right Honourable *W. Monsell*, M.P., to the
Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

No. 27.
Right Hon.
W. Monsell, M.P.,
to the Right Hon.
Sir *Stafford H.*
Northcote, Bart.
19 June 1869.

Sir,

Downing-street, 19 June 1869.

I AM directed by Earl Granville to transmit to you, for your consideration, and for that of the Committee of the Hudson's Bay Company, the copy of a telegram which has been received to-day from the Governor General of Canada.

I am to state that Lord Granville would be glad if the Hudson's Bay Company can comply with the request preferred by the Canadian Government for permission to commence at once the proposed survey.

I am, &c.

(signed) *W. Monsell*.

Telegram.
(Received, 19 June
1869, page 9.)

— No. 28. —

No. 28.
Sir F. Sandford,
to the Hudson's
Bay Company.
6 August 1869.

COPY of a LETTER from Sir *Francis Sandford*, to the Secretary to the Hudson's Bay Company.

9 July 1869.

Sir,

Downing-street, 6 August 1869.

I AM directed by Earl Granville to transmit to you, to be laid before the Governor and Directors of the Hudson's Bay Company, a copy of a letter from Mr. W. H. Stewart, enclosing a copy of a protest which he had forwarded to the Company against the surrender of their territory.

I have, &c.
(signed) *F. R. Sandford*.

Enclosure in No. 28.

Encl. in No. 28.

24, Oakley Square, Chelsea, S.W.,
8 July 1869.

My Lord,

The Committee of the Hudson's Bay Company having informed me that a surrender of the Company's territory is about to be made, I have forwarded to them a protest and notice (copy of which I enclose), and in order that Her Majesty's Government may be aware of the facts, and may have notice that the sale and surrender is objected to, and cannot legally be made, I beg to state as follows:—

I object to the sale, except at the price of 500,000 £, which is half the amount the territories were valued at.

That the Committee had no authority to negotiate a sale except upon such terms, or better, and that as they acted without the sanction of the proprietors, any agreement made by them is not binding.

That no sale of the territories of the Company can be made without the sanction of each and every proprietor, and that the Act of Parliament enabling a surrender does not avoid this necessity.

That if the Committee have stated that the majority of proprietors have agreed to the terms proposed, they have stated that which is incorrect.

1st. Because no legal meeting has been held.

2nd. Because the chairman neglected to put an amendment of mine to his own motion.

3rd. Because the vote was taken by a show of hands, though a ballot was duly demanded.

4th. Because the vote was not by persons who had held their stock six months, as required by the 7 Geo. 3, c. 48.

A protest setting forth all these objections was entered with the chairman at the meeting.

I also submit that no valid surrender can be made, because Earl Kimberley is the Governor, and not Sir Stafford Northcote, the former having been elected for the year 1869, and there being no power of resignation or re-election contained in the Charter.

I should have forwarded this letter sooner, but awaited the reply of the Canadian Parliament.

I have, &c.

The Right Hon. Earl Granville, K.G.,
Secretary for the Colonies.

(signed) *Wm. H. Stewart*,
A proprietor of stock in the
Hudson's Bay Company.

To the Committee of the Hudson's Bay Company.

Gentlemen,

As the chairman informed the proprietors on the second instant that the Canadian Parliament had addressed Her Majesty on the subject of the acquisition of the Hudson's Bay Territories, I beg to give the Committee notice, that as a proprietor of stock in the said Company, I protest against the sale of the territorial rights of the Company, and against the Committee affixing, or causing to be affixed, the seal of the Corporation to any surrender, or other conveyance or document purporting to surrender the said territories, and that I shall hold the Committee, and each and every of them, responsible for any attempted surrender of the said territories, and for all loss, costs, damages, and expenses which may accrue, or to which I may be put, by reason of such surrender.

The grounds of my objection to such sale and surrender are as follows:—

1. Because the price is wholly inadequate.

2. Because

PAPERS RELATING TO RUPERT'S LAND.

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2. Because the then Governor and Committee, who were trustees for the proprietors, had to authority to negotiate for the sale of the said territory, and were guilty of a breach of trust in asking a sum of money much smaller in amount than the proprietors required, and in keeping this fact from the knowledge of the proprietors.

3. Because the proprietors of stock in a chartered company such as the Hudson's Bay, even if unanimous, have no power to dispose of their territories except by authority of Parliament.

4. Because the Act of Parliament enabling Her Majesty to accept a surrender of the territories in question, is merely permissive, and not obligatory on the Company, and expressly requires the assent, not of a majority, or of a portion of the proprietors, but of the whole body, "upon such terms and conditions as shall be agreed upon by the Governor and Company," are the words of the Act.

5. Because the Act of Parliament has not been complied with, inasmuch as the whole body of proprietors have not agreed to the terms, but, on the contrary, it is believed a large majority dissented therefrom.

6. Because, even supposing the majority could bind the minority, such majority of duly qualified voters has never been legally, or in fact obtained, inasmuch as the meeting at which the vote was taken was illegally convened and held; the pretended vote was by a show of hands, notwithstanding a ballot was demanded, as required under the Charter, nor was there any evidence that the parties holding up their hands were proprietors of stock, or, if proprietors, that they had held such stock for six calendar months prior to such vote, as required by the Act in such case made and provided, thus rendering the vote so taken void.

7. Because Sir Stafford Northcote is not the duly qualified Governor of the said Company, and any act done or performed by him, and the said Committee, on behalf of the said Company, is null and void, inasmuch as Earl Kimberley (if any) is the duly qualified Governor of the said Company for the present year 1869.

— No. 29. —

COPY of a LETTER from Sir *Stafford H. Northcote*, Bart., M. P., to
Sir *F. R. Sandford*.

Sir,

Pynes, Exeter, 9 August 1869.

I HAVE the honour to acknowledge the receipt of your letter of the 6th instant, transmitting a copy of a letter addressed to Earl Granville by Mr. W. H. Stewart, and of Mr. Stewart's protest against the surrender of the Hudson's Bay Territory.

I have, &c.

(signed) *Stafford H. Northcote*.

No. 29.
Sir Stafford H.
Northcote, Bart.,
M.P., to Sir F. R.
Sandford.
9 August 1869.

Correspondence between the Delegates from Canada and the Colonial Office.

— No. 1. —

No. 1.
Sir F. Rogers,
Bart., to Sir
G. E. Cartier,
Bart.

30 Dec. 1868.

22 Dec. 1868.
Page 31.

COPY of a LETTER from Sir *F. Rogers*, Bart., to Sir *G. E. Cartier*, Bart.

Sir,

Downing-street, 30 December 1868.

I AM directed by Earl Granville to transmit to you a copy of a letter which his Lordship has received from the Deputy Chairman of the Hudson's Bay Company, relating to some steps which have been taken under authority of the Canadian Government, and from which they apprehend some invasion of their territorial rights.

His Lordship will be glad to receive from you or from Mr. McDougall, any explanation with which you or he may be able to furnish him of the steps taken by the Canadian Government.

I am, &c.
(signed) *Frederic Rogers*.

— No. 2. —

No. 2.
Sir G. E. Cartier,
Bart., and W.
McDougall, Esq.,
c.B., to Sir
F. Rogers, Bart.
16 Jan. 1869.

COPY of a LETTER from Sir *G. E. Cartier*, Bart., and *W. McDougall*, Esq., c.B., to Sir *Frederic Rogers*, Bart.

Westminster Palace Hotel, London,
16 January 1869.

Sir,

WE have the honour to acknowledge receipt of your letter of the 30th ultimo (with its enclosure), stating that you were directed by Earl Granville to transmit to us a copy of a letter, which his Lordship had received from the Deputy Chairman of the Hudson Bay Company, relating to some steps which have been taken under the authority of the Canadian Government, and from which the Company apprehend some invasion of their territorial rights.

You inform us that his Lordship will be glad to receive from us any explanation which we may be able to furnish him of the steps taken by the Canadian Government.

We have read the letter of the deputy chairman, and extracts from the letters of Governor McTavish, and have much pleasure in being able to furnish his Lordship with what we hope will prove satisfactory information, on the subject of the Hudson Bay Company's complaint.

1. In the month of September last, very precise information reached the Canadian Government, that in consequence of the complete destruction of their crops by locusts, the people of the Red River Settlement, numbering probably from 12,000 to 15,000 souls, were in imminent danger of starvation during the winter about to set in.

2. Numerous and earnest appeals for aid had already been made to the Canadian public by writers in the newspapers, and by clergymen and others acquainted with the country. The Right Rev. Robert Machray, Lord Bishop of Rupert's Land, a member of the Council of Assinaboia, and so far a representative of the Company, visited Ottawa, and urged upon members of the Canadian Government the duty of prompt assistance to avert the threatened calamity.

3. No steps had then been taken (so far as the Government could learn) by the Hudson Bay Company to provide supplies, and aware that a few days delay
at

at that season might render it impossible to get provisions to Red River in time to afford relief, the Canadian Government appropriated the sum of twenty thousand dollars (\$20,000) towards the construction of a road from Lake of the Woods to Fort Garry. The Minister of Public Works (one of the undersigned) was directed to expend the principal part of this sum in the purchase of provisions, which were to be forwarded with all possible dispatch to the Red River Settlement, and offered to the settlers, not as alms, but in exchange for their labour on a public work in their own vicinity, and of the highest utility to their Settlement.

4. A confidential and experienced agent proceeded at once to Saint Paul's, Minnesota, and succeeded in forwarding a considerable supply of provisions before the close of navigation; a further quantity has reached Fort Abercrombie, an American post in Dakota Territory, from which point it can be sent to the Settlement early in the spring.

5. Information has reached the undersigned since their arrival in England, that the Government agent had, in accordance with his instructions, conferred with the local authorities on his arrival at Fort Garry, that he had received their approval and promise of assistance, that his timely aid was a cause of much joy and thankfulness in the Settlement, and that he had proceeded with a large force of labourers to the limit of the prairie country, some 30 miles from Fort Garry towards Lake of the Woods, and there commenced the construction of the road.

6. The immediate object of the Canadian Government in taking the steps complained of, was to supply food to a starving community, about to be imprisoned for six months in the heart of a great wilderness, without roads or means of communication with their fellow subjects, and to supply it in the way most acceptable to a high spirited people, viz., in exchange for their labour. It was thought that even the Hudson Bay Company might look with favour upon a public work, which, when completed, will prove a valuable protection to those under their government, against similar dangers in the future. On behalf of the Canadian Government, we deny that a "trespass" has been committed, or that our action in this matter was intended to forestal or embarrass negotiations which the Imperial Parliament had directed to be undertaken for the transfer of the North Western Territory and Rupert's Land to the Dominion of Canada.

The foregoing explanation may, perhaps, be deemed sufficient to enable Earl Granville to answer the complaint of the Hudson Bay Company against the Canadian Government, but the undersigned beg leave to add one or two observations, which, in their opinion, this extraordinary demand for "the intervention of Her Majesty's Government," both invites and justifies. If the Hudson Bay Company, who claim the right to hold and govern the territory in which the alleged "trespass" has taken place, had performed the first duty of a Government towards its people, by providing them with easy means of communication with the outer world; or, if they had shown themselves either able, or willing, to meet the threatened calamity by a prompt effort to forward sufficient supplies to the Settlement before the close of navigation, the Canadian Government would have rested happy in the belief that neither humanity, nor public policy, required or justified their interference.

The assertion of the Deputy Governor of the Hudson Bay Company, that the country between Lake of the Woods and Red River is "the freehold territory of the Company," and that the so-called "trespass" of the Canadian Government in sending provisions to the starving settlers and assisting them to make a road for their own convenience and safety hereafter, is "an actual encroachment on the soil of the Company," might, if unnoticed by us, be claimed as another proof or admission of the rights of the Company in that part of the continent; we, therefore, beg to remind his Lordship that the boundaries of Upper Canada, on the north and west, were declared, under the authority of the Constitutional Act of 1791, to include "all the territory to the westward and southward" of the "boundary line of Hudson's Bay," "to the utmost extent of the country commonly called or known by the name of Canada." Whatever doubt may exist as to the "utmost extent" of Old or French Canada, no impartial investigator of the evidence in the case can doubt that it extended to, and included, the country between Lake of the Woods and Red River.

The Government of Canada, therefore, does not admit, but on the contrary denies, and has always denied, the pretensions of the Hudson's Bay Company to any right of soil, beyond that of squatters, in the territory through which the road complained of is being constructed.

We have, &c.
(signed) *Geo. E. Cartier.*
Wm. McDougall.

— No. 3. —

No. 3.

Sir F. Rogers, Bart.,
to Sir G. E. Cartier,
Bart., and W.
M'Dougall, Esq.,
C.B.

18 January 1869.

13 January 1869.
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*Page 27.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., C.B.

Gentlemen,

Downing-street, 18 January 1869.

I AM directed by Earl Granville to transmit to you, for any observations which you may wish to offer upon it, the enclosed copy of a letter from the Hudson's Bay Company, in answer to the proposals made to them by the Duke of Buckingham and Chandos in the letter from this department of the 1st of December* last, with respect to the proposed cession to the Crown of the Company's territorial rights in British North-America.

I am, &c.
(signed) *Frederic Rogers.*

— No. 4. —

No. 4.

Sir G. E. Cartier,
Bart., and W.
M'Dougall, Esq.,
C.B., to Sir F.
Rogers, Bart.
9 February 1869.

COPY of a LETTER from Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., C.B., to Sir *Frederic Rogers*, Bart.

Sir,

Westminster Palace Hotel, 9 February 1869.

WE have the honour to acknowledge the receipt of your letter of the 18th ultimo, enclosing a copy of Sir Stafford Northcote's letter of the 13th ultimo, in reply to proposals made to the Hudson's Bay Company for the cession to the Crown of their territorial rights in British America, by his Grace the Duke of Buckingham and Chandos, in the letter of Mr. Adderley of the 1st December last.

You state that Earl Granville directed you to transmit this document to us for any observations which we may wish to offer upon it. His Lordship's courtesy and consideration in sending us a copy of Sir Stafford Northcote's letter, and inviting us to express our views upon it, are gratefully acknowledged, but upon reflection, we thought it would be expedient to refrain from any formal expression of our opinion on new and indefinite propositions, until we had received some intimation of the view which his Lordship was likely himself to take of them, or of the policy in respect to the general question, which Her Majesty's present advisers intend to adopt.

At an interview with which we were favoured by Earl Granville on the 26th ultimo, he expressed his preference for a less complicated mode of dealing with the Hudson's Bay question than that proposed by the Duke of Buckingham and Chandos, and requested us to communicate to him our observations on the reply of Sir Stafford Northcote, and especially on the proposition with which his letter concludes, viz., that the Canadian Government should "complete the purchase of the territory at once, by the payment of a sum of money, or by the delivery of bonds."

As we have had but few opportunities to confer with his Lordship since his accession to office, it may be proper, before considering Sir Stafford Northcote's letter, to state the position of the Canadian Government, as we apprehend it, in this negotiation.

The British North America Act, 1867, affirmed the policy of uniting under one Government, all the Colonies, Provinces, and Territories of British North America. Three Provinces were united at once, and provision was made by the

146th section, for the admission into the union of the remaining colonies, on Address to Her Majesty by their respective Legislatures, and the Parliament of Canada. The North West Territories and Rupert's Land, or either of them, are to be admitted on the Address of the Parliament of Canada alone, and on such terms and conditions as the Canadian Parliament may in its Address express, and Her Majesty approve.

In pursuance of the policy of the Imperial Parliament thus distinctly affirmed, the Canadian Parliament at its first Session, under the new constitution, adopted an Address to Her Majesty for the incorporation of the North West Territory and Rupert's Land with the Dominion of Canada. The terms and conditions expressed in the Address were,—

1st. That Canada should undertake the duties and obligations of Government and Legislation in respect of those territories.

2nd. That the legal rights of any corporation, company, or individual within the territories should be respected, and that provision should be made for that purpose by placing those rights under the protection of Courts of competent jurisdiction.

3rd. That the claims of the Indian tribes to compensation for lands required for purposes of settlement, should be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the Aborigines.

The above were the only terms and conditions which, in the opinion of the Canadian Parliament, it was expedient to insert in the Order in Council, authorised by the 146th section.

His Grace the Duke of Buckingham and Chandos, on receiving the Address of the Canadian Parliament, consulted the Law Officers of the Crown, who advised, among other things, that "there would be much difficulty created by the existence of the Charter" of the Hudson's Bay Company "to putting into execution the powers of the 140th (146th) section of the British America Act, 1867, assuming that the Hudson's Bay Company were adverse to the union."

A Bill was thereupon carried through the Imperial Parliament apparently to remove the "difficulties" which the Law Officers had discovered. It reverses the order of procedure contemplated by the Act of 1867, and observed by the Canadian Parliament in its Address, and makes the *assent* of the Company a condition precedent to the transfer.

The Canadian Government were not consulted as to the terms of this Act; they could not understand why it was necessary, and greatly doubted the expediency of passing it.

The Duke of Buckingham and Chandos having opened negotiations with the Hudson's Bay Company under the authority of the Act last mentioned, invited a delegation from the Canadian Government to confer with him in this country.

The undersigned, duly commissioned for that purpose, repaired to London in October last, and had frequent interviews with his Grace before his retirement from office.

The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last,* were not made at our suggestion, although we were disposed to think (and so informed his Grace), that if the Company accepted them, the Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories, on the conditions specified.

The Company, through Sir Stafford Northcote, have declined to accept either the principle or the mode of settlement proposed by the late Government, but suggest a new and summary method of closing the negotiations, by demanding that the Canadian Government should, by a payment in cash or bonds, "complete the purchase of the territory at once." No sum is mentioned, and no date given from which it can be inferred.

Under these circumstances we are asked, as representatives of the Canadian Government, to communicate to Earl Granville any observations we may wish to offer on this reply and proposition of the Company.

His Lordship will readily perceive from the foregoing recital, that as representatives of the Canadian Government, we are in the position of spectators of a negotiation, begun and carried on upon principles and under conditions to which

* Page 27.

we are strangers, rather than that of assenting principals, responsible for its initiation, and bound by its results.

Without undertaking, therefore, that our views on every point will be approved by the Canadian Government, we proceed most respectfully to offer a few observations on Sir Stafford Northcote's reply to the recent proposals of the Imperial Government.

It will be observed that two things are assumed in these proposals to the Company, which the Canadian Government has always disputed :—

1st. That the Charter of Charles II. is still valid, and grants the right of soil or freehold of Rupert's Land to the Company.

2nd. That Rupert's Land includes the so-called "Fertile Belt," extending from the Lake of the Woods to the Rocky Mountains.

The Law Officers of the Crown in England have, on two or three occasions, given their opinion in favour of the first assumption, but never, so far as we are aware, in favour of the second. The report of the Law Officers in 1857, admits that the geographical extent of the territory granted must be determined by excluding the country that "could have been rightfully claimed by the French "as falling within the boundaries of Canada" (which the Charter itself excludes by express words) and states that "the assertion of ownership on important public occasions, as at the Treaties of Ryswick and Utrecht" should be considered, and also "the effect of the Acts of 1774 and 1791." The most recent opinion of the Law Officers of the Crown, which we have seen (6th January 1868), as to the rights of the Hudson's Bay Company, does not even by implication, support their present claim to the fee-simple of nearly one-third of the American continent. On the contrary, Sir John Karslake and his colleagues, conclude their report with the emphatic statement, that it is "very necessary before any union of Rupert's Land with Canada is effected, that the true limits of the territory "and possessions held under the Charter should be accurately defined." An assumption, therefore, which covers so much ground, and is unsupported by any competent legal authority, which ignores the repeated protests and claims of Canada, and seeks to supply a basis upon which a surrender for valuable consideration may be made, is, to say the least, a most favourable assumption for the Company. We notice these points in Mr. Adderley's letter before remarking on Sir Stafford Northcote's reply to prevent the possible inference that we have acquiesced in them.

Sir Stafford Northcote assures Lord Granville that the Company "continue "sincerely anxious to promote the object, with a view to which the Company "was re-constructed five-and-a-half years ago, viz., the gradual settlement of such "portions of their territory as admit of colonisation." It would be tedious to quote the numerous and positive averments by members and governors of the Hudson's Bay Company in the course of official enquiries during the last 50 years, that their territories (in which they include the Red River and the Saskatchewan districts) are totally unfit for colonisation. The evidence of Sir George Simpson before the House of Commons' Committee of 1857, is a fair sample of the views heretofore entertained and avowed by the representatives of the Company (*see Commons' Report 1857, questions 716, 718, 719, &c.*). Mr. Ellice, for many years the ruling spirit of the Company, declared before the same Committee, that the Red River Settlement was an "unwise speculation," and "had failed;" that "the climate is not favourable;" that the Saskatchewan is a country capable of settlement only when "the population of America becomes so "dense that they are forced into situations less fit for settlement than those they "occupy now;" that the winters are "rigorous," and the country badly off for "fuel," &c.

With such views of the unfitness of the country for settlement, and avowing their belief that colonisation and the fur trade could not exist together, it is not surprising that the Company have always cherished the latter, which was profitable, and discouraged, and as far as possible prevented the former, which had proved an "unwise speculation." It is true that the Company was "reconstructed" in 1863, with loud promises of a new policy. A great road across the Continent was to be made; a telegraph line was to be put up, and emigration and colonisation developed on a large scale. The Duke of Newcastle, then Secretary of State for the Colonies, was so much impressed by the zeal and public

public spirit of the gentlemen who effected the re-construction, that he wrote Despatches to the Canadian Government on their behalf, and evidently believed that a new era was about to open in the North West, and the wild animals and fur traders retreat before the march of "European" settlers. The stock of the old Company, worth in the market about 1,000,000 £., was bought up, and by some process which we are unable to describe, became 2,000,000 £. A show of anxiety to open postal and telegraphic communication was made, and "Heads of proposals" were submitted to the Governments of Canada and British Columbia, which, on examination, were found to embrace a line of telegraph only, with the modest suggestion that the two Governments should guarantee the Company a profit of not less than four per cent. on their expenditure; a proposal so absurd could only have been made to be rejected, and it was rejected accordingly. The surplus capital of the re-constructed Company which was called up for the avowed purpose of opening their territories to "European colonisation under a liberal and systematic scheme of land settlement," has never been applied to that purpose. Five and a half years have passed since the grand scheme was announced to the world, but no European emigrants have been sent out, no attempts to colonise have been made. Sir Stafford Northcote was not probably aware, when he vouched for the *bona fides* of the Hudson's Bay Company as promoters of colonisation, that a solemn vote of the shareholders was taken in the month of November 1866, which condemned and rejected the policy of colonisation absolutely and definitively.

While unable, for the reasons stated, to concur in Sir Stafford Northcote's assurance that the Hudson's Bay Company are anxious to promote colonisation, we are gratified to learn that they "adhere" to the resolution of 28th August 1863, that the time has come when it is expedient that "the authority, executive and judicial, over the Red River Settlement, and the south-western portion of Rupert's Land should be vested in officers deriving such authority directly from the Crown."

The first remark we have to make upon this reference to the resolution of 1863 is, that it admits the continued incapacity of the Company as a *governing* power; the second, that if this was true in 1863, if at that time it had become expedient to substitute the authority of the Crown for that of the Company, it is much more expedient, if not absolutely necessary now; the third, that if the Company are to be relieved of the duty and cost of government which their Charter imposes, and which they admit they do not and cannot properly discharge, "compensation" should be made, not to the Company, as is claimed, but by the Company to those who take the burden off their shoulders.

We confess we have failed to discover any evidence, and therefore cannot believe, that the Company has "cheerfully" accepted the decision of Her Majesty's Government, "that the whole of the Company's territory should, under proper conditions, be united with Canada." A brief notice of the *acts* in contrast with the professions of the Company will, we think, account for the ill-success of our researches, and justify our incredulity.

The representatives of the Company, while declaring before the House of Commons' Committee in 1857 (as we have already shown), that their territories were "unfit for settlement," professed their readiness to surrender any portion of them that might be desired by the Imperial or Canadian Government for that purpose. Mr. Ellice declared, in the most unqualified terms, not only that the Company was willing to surrender, but that it was the duty of Government to see that no mere trading corporation obstructed "for one moment," nor to the extent of "one acre of land fit for settlement," the "dominion of the actual settlers." (Commons' Report, 1857, questions 5859, 5860, and 5933.)

The Governor of the Company informed the Colonial Secretary (18th July 1857) that an inquiry into the "geographical extent of the territory granted by their Charter," which the Law Officers had recommended, was of little importance, because, if the object of the inquiry was "to obtain from Canada land fit for cultivation and the establishment of agricultural settlers, the Directors are already prepared to recommend to the shareholders of the Company to cede any lands which may be required for that purpose." "The terms of such cession," he assured Mr. Labouchere, "would be a matter of no difficulty between Her Majesty's Government and the Company."

Mr. Ellice had previously told the House of Commons' Committee that the question of boundary was "of no importance at all," because if the "Province

"of Canada requires any part of the territory, or the *whole of it*, for purposes of settlement, it ought not to be permitted for one moment to remain in the hands of the Hudson's Bay Company." He added that "*less money* than would be spent in a litigation upon the subject would be sufficient to indemnify the Hudson's Bay Company for any claim which they could have on giving up any disputed part of their territory."

These assurances induced the Committee to negative propositions for ascertaining, by a judicial inquiry, the validity of the Charter or the position of boundaries, and to report in favour of annexing to Canada "such portion of the land in her neighbourhood as may be available to her for the purposes of settlement, with which she is willing to open and maintain communication, and for which she will provide the means of local administration." The Committee "trusted" that there would be "no difficulty in effecting arrangements as between Her Majesty's Government and the Hudson's Bay Company" for ceding the territory on "equitable principles."

It may be proper to remind Earl Granville that leading members of the Committee of 1857, taking the offers of the Company on the subject of colonisation to mean what the language of their representatives imported, strongly opposed the recommendation to leave the question open for "amicable adjustment," upon "equitable principles," with the certainty of protracted negotiation and a chance of ultimate disagreement; Mr. Gladstone accordingly submitted a resolution for a prompt and definitive settlement of the whole question. He proposed—

1st. "That the country capable of colonisation should be withdrawn from the jurisdiction of the Hudson's Bay Company."

2nd. "That the country incapable of colonisation should remain within their jurisdiction."

He proposed that in the country remaining within their jurisdiction power should be reserved to Her Majesty's Government to make grants "for the purposes of mines and fisheries, but with due regard to the immunities and trade of the Company." No "immunities" were even suggested, with respect to the country which was to be withdrawn for colonisation. He proposed to ignore the Charter by declaring that the jurisdiction of the Company "should rest, henceforth, upon the basis of statute." He quoted the Governor's letter above referred to "as an expression of the willingness of the Company to accept, in principle, the arrangement" he proposed, and ended with the suggestion that, "as the Company had tendered concessions which may prove sufficient to meet the case," no decision seemed necessary as to the question of raising "a judicial issue, with the view of ascertaining the legal rights of the Company." The propositions of Mr. Gladstone were only lost in the Committee by the casting vote of the Chairman.

Twelve years have passed since these offers were made by the Company, and accepted by a Committee of Parliament. Every Colonial Secretary from 1858 to the present moment has attempted to carry out the recommendation of the Committee, with the assent of the Company, but without success. Two Acts of the Imperial Parliament have been passed, with provisions to facilitate the arrangement, but are yet without fruit. Sir Edward Lytton Bulwer characterised the offers of the Company during his administration as "illusory," and declared that they "by no means met the exigencies of the case." He expressed his regret at a determination on their part which "retains the very difficulty in the way of speedy and amicable settlement, which he had sought to remove," and stated that if Canada declined to resort to "legal proceedings" (which he had recommended), "it would be his duty" to consider "whether negotiations with the Company can be resumed, or whether, in the last resort, Her Majesty's Government must take the matter into their own hands, and proceed on their own account" (Mr. Merivale's letter to H. H. Berens, 9th March 1859). Sir Edward remained in office long enough to put an end to the Company's license of exclusive trade in British Columbia and the Indian territories, but not long enough to carry out his policy of "connecting the two sides of British North America, without the obstacle interposed by a proprietary jurisdiction between them."

The Duke of Newcastle opened negotiations with the Company in 1863-4 with much vigour; but after various proposals and counter-proposals, including the

the "reconstruction" of the Company, he was obliged to treat their propositions as "inadmissible."

Mr. Cardwell, during his administration, could not accept their proposals "without considerable modifications."

The Duke of Buckingham, after many discussions with the representatives of the Company, regretted to perceive that their proposals "did not afford much prospect of an arrangement being come to," and in the communication, to which the letter of Sir Stafford Northcote is a reply, declared himself "unable to recommend the adoption" of the terms demanded by the Company.

Our notice of what, in Sir Stafford Northcote's opinion, constitutes a "cheerful" acceptance of the decision of Her Majesty's Government, would be incomplete, if we did not remind Earl Granville that the Company's "proper conditions" for the surrender of that portion of the North Western Territories, for which they can show no title, but such as may be derived from the possession of a few trading posts, established there within the last 50 years, rose from a question of "no importance at all" in 1857, or at most, to "less money than would be spent in a litigation on the subject" (House of Commons' Report, question 5834), to the retention, in 1863, in fee-simple of *half* the lands proposed to be surrendered, with various other conditions, including a guarantee by the Governments of Canada and British Columbia, of an annual profit on their own expenditures, for improvements on their own property. In 1864 these conditions took the form of a demand, first, to be paid 1,000,000 *l.* sterling from sales of lands and mines, with large reservations "to be selected by them," &c., and secondly, to be paid 1,000,000 *l.* sterling in cash, with other terms and reservations favourable to the Company. In 1868, these conditions for the surrender of territorial and governing rights over the *whole* territory remained at 1,000,000 *l.* as in the first proposition of 1864, with large reservations of land, at "selected" points, exempted from taxation, and with full liberty to carry on their trade, free from the export and import duties, to which all other subjects of Her Majesty in that country would be exposed.

In 1869, these various proposals, which no Secretary of State could possibly entertain, have all been apparently merged in one grand proposition to sell out "the territory at once for a sum of money" in cash, or bonds, the amount of which is not stated.

We content ourselves, under this head, with the observation, that whatever others may be able to see in all these transactions, we are utterly unable to discover, either a cheerful acceptance of the decision of any Government, or an honest disposition to fulfil the solemn pledges made to Parliament in 1857, on the faith of which the Company was unquestionably saved from judicial or legislative extinction.

Sir Stafford Northcote claims credit for the Company, because they have "declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory with a view to their colonisation." Our information is (and we can give Earl Granville names and dates, if the point is deemed of any importance), that the only "overtures" of the kind mentioned, which the Company have received, were not merely "encouraged," but suggested and concocted, by prominent members of the Company, for the purpose of producing an impression on the Government, and with a view, not to colonisation, but to *negotiation* and the stock market.

We are not sure that we understand the statement of Sir Stafford Northcote, that the Company "have taken no step which could give rise to fresh complications, or place any new difficulty in the way of the admission of their territory into the confederation."

The sale of land to private parties for colonisation (assuming that *bonâ fide* offers have been received from such parties) could not give rise to much complication, except in the affairs of the Company. If Sir Stafford hints at the negotiations which were lately reported to be going on with certain American speculators in London, for denationalising and Americanising the Company, with a view to the "admission of their territory" into the United States instead of the Confederation, we respectfully submit that while such a difficulty might indeed be "new," the proper person to solve it would be Her Majesty's Attorney General, with the aid of a court and jury of competent jurisdiction. We do not understand that Earl Granville expects us to defend in detail the Duke of Buckingham's proposals, or to answer all the objections made to them by Sir Stafford Northcote.

The Government of Canada, as we have already reminded his Lordship, neither suggested the Act of Parliament, nor the terms of the negotiation which the late Secretary of State for the Colonies attempted to carry out under its authority. The Canadian plan of dealing with the question of the North Western Territory and Rupert's Land is set forth in the Address of the Canadian Parliament to Her Most Gracious Majesty, and we do not feel at liberty, as representatives, to suggest any other mode until we are informed by Her Majesty's Government that the one proposed is deemed impracticable.

Sir Stafford Northcote's suggestion, that "the payment of a sum of money" for the purchase of the territory would conduce to a more satisfactory result, is, we believe, the point upon which Earl Granville specially desires to have our views. Assuming that by "territory" he means the *whole* territory to which the Company lay claim, and that they are to continue as a trading corporation, retaining their posts, and allotments of land in their neighbourhood, as he states was agreed upon between the Duke of Buckingham and Lord Kimberley, we have to observe—

1. This proposition involves an abandonment of the *principle*, which two Secretaries of State (and it must be presumed two successive administrations) declared, after much consideration, and in view of the transactions of 1857, was properly and justly applicable to this case, viz., that the compensation should be derived from the future revenue of the territory itself, and payable only as it came into the hands of Government. This *principle* was also accepted by the Company in their communication of 13th April 1864.

2. On the other hand, the principle of ascertaining and fixing a money value upon the territorial rights of the Company "in the British territory east of the "Rocky Mountains and north of the American and Canadian lines," and of extinguishing those rights by a payment "at once," was suggested in 1865, by a delegation from the Canadian Government of that day, and assented to by Mr. Cardwell, then Secretary of State for the Colonies, and his colleagues.

If the latter principle or mode of settlement is now to be adopted, it is obvious that the first question is—What is the nature of these "rights," and what territories do they affect? and the second—What are the rights separated from the *duties* and burdens attached to them by the Charter fairly worth?

We shall not attempt to answer these questions fully in the present communication, but we venture to submit, for Earl Granville's consideration, a few *facts* and inferences which cannot, we believe, be disputed, and which are essential elements in any calculation which may be attempted on the basis of a money purchase.

1st. The Charter of Charles II. (and for the present we raise no question as to its validity) could not, and did not, grant to the Hudson's Bay Company any territory in America which was not then subject to the Crown of England.

2. The Charter expressly excluded all lands, &c., then "possessed by the "subjects of any other Christian prince or State."

3. By the Treaty of St. Germain's-en-Laye, 1632, the King of England resigned to the King of France the sovereignty of Acadia, New France, and Canada generally, and without limits.

4. "La Nouvelle France" was then understood to include the whole region of Hudson's Bay, as the maps and histories of the time, English and French, abundantly prove.

5. At the Treaty of Ryswick (1697), 27 years after the date of the Charter, the right of the French to "places situated in Hudson's Bay" was distinctly admitted, and although Commissioners were appointed (but never came to an agreement) to "examine and determine the pretensions which either of the said kings hath "to the places situated in Hudson's Bay," and with "authority for settling the "limits and confines of the lands to be restored on either side," the places taken from the English (*i. e.*, from the Hudson's Bay Company) by the French, previous to the war, and "re-taken by the English during this war, shall be left to the "French by virtue of the foregoing (the 7th) Article." In other words, the forts and factories of the Hudson's Bay Company, established in Hudson's Bay under pretence of their Charter, and taken possession of by the French in
time

time of peace, on the ground that they were an invasion of French territory, were restored, by the Treaty of Ryswick, to the French, and not to the Company.

6. By the Treaty of Utrecht, 1714, "the Bay and Straits of Hudson, together "with all lands, seas, sea-coasts, rivers, and places situate *in the Bay and Straits*. "and which belong thereto," were finally ceded to Great Britain.

7. As no definite boundary was ever established between the possessions of the French in the interior, and the English at Hudson's Bay, down to the Treaty of Paris (1763), when the whole of Canada was ceded to Great Britain, the extent of the *actual* possession by the two nations for some period, say from the Treaty of Utrecht to the Treaty of Paris, affords the only rational and true basis for ascertaining that boundary.

8. The evidence is abundant and conclusive to prove that the French traded over, and possessed, the whole of the country known as the Winnipeg Basin, and "Fertile Belt," from its discovery by Europeans, down to the Treaty of Paris, and that the Hudson's Bay Company neither traded, nor established posts, to the south or west of Lake Winnipeg, until many years after the cession of Canada to England.

9. No other, or subsequent, grant to the Company was ever made, which could possibly extend their territorial rights under their Charter. The license to trade in "the Indian territories" which they obtained in 1821, was revoked in 1858, and has not been renewed.

10. The country which, in view of these facts, must be excluded from the operation of the Charter, includes all the lands fit for cultivation and settlement in that part of British America.

It will be for Earl Granville to consider whether this Company is entitled to demand any payment whatever for surrendering to the Crown that which already belongs to it. We confess our utter inability, upon any principle of law or justice, or public policy, with which we are acquainted, to estimate the amount which ought to be paid under such circumstances. The only basis of computation we can discover, applicable to such a case, is the *cost* of the legal proceedings necessary, if any be necessary, to recover possession. A person has taken possession of a part of your domain under the pretence that it is included in a deed which you gave him for some adjoining property, before you purchased the domain; you want to get rid of him, but will be compelled to bring an action. He is artful, stubborn, wealthy, and influential. He will be able to worry you with a tedious litigation. How many acres will you allow him to "reserve," and how much will you pay to save yourself the cost and trouble of a law suit? Compromises of this kind are not unknown in private life, and the motives and calculations which govern them, may be applicable to the present case. We recommend this mode of computing the amount of the payment to be made for the surrender of the North West Territory, as distinguished from Rupert's Land, with all the more confidence, because it has already been suggested by one of the ablest and most trusted of the representatives of the Company (*see* Evidence of Right Honourable E. Ellice, House of Commons' Report, 1857, question 5834).

With respect to Rupert's Land, or "the lands and territories" upon the coasts and confines of the seas, bays, &c. "that lie within the entrance of the Straits, "commonly called Hudson's Straits," "not possessed by the subjects of any other "Christian prince or State," a different rule, we admit, may be held to apply. Giving to the words of grant the widest construction, territorially, that could possibly be admitted by any judicial body, with the facts of the case in evidence before it, or giving to these words the construction which the Company themselves applied for a hundred years from the date of their Charter, the "rights" they propose to sell are of little commercial value. No revenue, we feel assured, will ever be derived from them. The fur trade is the only industry the country offers, as a source of profit, and this, if we rightly understand Sir Stafford Northcote's suggestion, the Company wish to retain.

It has never been alleged, even by the most sanguine advocates of the new theory of the Company respecting land sales, that any revenue can be derived from that source within the limits which we have assigned to Rupert's Land. The cost of Government there, inconsiderable though it may be, will always exceed any possible revenue. We are thus led to the same conclusion as in the

case of the territory claimed, but not owned by the Company, viz., that what they propose to sell has no pecuniary or commercial value. They are there, however, by at least a show of right; being there they obstruct the progress of Imperial and Colonial policy, and put in jeopardy the sovereign rights of the Crown over one-third (and, as some think, even a larger portion) of the North American continent. "What is it worth to have this obstruction *quietly* removed?" This is, perhaps, the true question, but the answer, we submit, belongs rather to Her Majesty's Government, which has the power, in the event of resistance, to remove the evil by a summary process, than to those who are little more than spectators of the negotiation.

Earl Granville is aware that several attempts have been made since 1857, to arrive at a definite agreement on the subject of compensation. The suggestions and proposals on each side, together with the actual market value of the Company's stock at different periods, supply data, which his Lordship may deem of importance, and we therefore respectfully submit our views as to the conclusions which may be deduced from them.

The first attempt of the Imperial Government to estimate and express in pounds sterling, the compensation which it would be reasonable to offer to the Company, was made by the Duke of Newcastle in 1864. The greatest sum which after "very grave consideration," his Grace felt himself able to propose for the surrender of the country west of Lake Winnipeg, was 250,000 *l.*; but the payment was subject to the following conditions:—

1. £. 150,000 was to be derived from the sale of lands by Government within the territory. The payment was to be made at the rate of 1 *s.* per acre sold, but to be entirely dependent on the Government receipts.

2. Payments were to cease whenever they reached 150,000 *l.*, and absolutely at the end of 50 years.

3. The Company was to be paid one-fourth of the sum received by Government for export duty on gold, or for mining licenses, or leases for gold mining in the territory, for 50 years, or until the aggregate amounted to 1,000,000 *l.*

4. The payment of any part of the 250,000 *l.* was contingent on the ability of the Company to place Her Majesty's Government in possession of an "indisputable title" to the territory ceded by them, as against the claims of Canada.

The last condition was objected to by the Company on the ground that they could only give such title as they had, which they contended "must be taken for better for worse." The Duke of Newcastle renewed his offer, modifying the last condition into a stipulation that, in case it should be found advisable, the territory, eastward of a line passing through Lake Winnipeg and Lake of the Woods, might be ceded or annexed to Canada, in which case, nothing would be payable to the Company in respect of *that* territory.

The present value, in cash, of such an offer, subject to the conditions and contingencies specified, would be very difficult to ascertain. The revenue from export duty on gold, and for licenses, would probably be *nil*. The revenue from land sales, if the cost of survey, management, and necessary roads, were deducted, would be *nil* also. It is very doubtful whether, if these deductions be made, the revenue from land sales in the Provinces of Canada, from 1763 to the present time, would show a surplus.

Sir Stafford Northcote quotes the price of land in Minnesota, and thence infers the value of lands on the Red River and Saskatchewan districts, which lie from five to ten degrees further north, and are still in the possession of the wild Indians of the plain; but we think it will be found that the lands in Minnesota, which sell for "one pound per acre," are either *private* lands, in the neighbourhood of towns, or the property of railway companies, on or near which millions of dollars have been expended to make them saleable; they are certainly not *public* lands, unimproved by public expenditure. Sir Stafford ought to have mentioned, at the same time, a fact which we believe is known to every emigrant who leaves the British Isles for America, that in the western states of the Union, and in the Provinces of Canada, *wild* lands are now given to settlers as "free grants," and we may add that this policy is more likely to be extended than reversed. To talk of the *value* of public lands as a source of revenue, distant from one to two thousand miles from available markets, and

and without roads or navigable waters by which to approach them, is to contradict all experience, or to assume that the cost of surveys and management, and of canals, roads, and other improvements for their development and settlement, will be supplied by those who do *not* own them, for the benefit of those who *do*; but in order to arrive at some result that can be expressed in figures, let us assume that the sum ascertained by the Duke of Newcastle to be a sufficient "compensation," would, under his proposition, have been paid within 50 years and at an average rate per annum,—we thus give the Company the benefit of all the doubts in the case, and reduce the question to a simple problem in arithmetic. What is the present value of an annuity of 5,000 *l.* for 50 years?

That value, we submit, is the highest amount in cash which can be claimed as an equivalent for the offer made to the Company in 1864, by his Grace the Duke of Newcastle.

The next offer of the Imperial Government, which mentions a specific sum, is that made by his Grace the Duke of Buckingham and Chandos, on the 1st of December last. It differs from the previous offer in several important particulars.

1. It embraces the *whole* of the territory claimed by the Company.
2. It proposes to allow the Company to retain their "posts" and certain allotments of land in their vicinity, with a small reservation in each township, as it is surveyed.
3. It proposes to allow the Company one quarter of the receipts from land (free grants being treated as sales at 1 *s.* per acre) and one-fourth of the sum received by Government as an export duty for gold and silver, or for licenses for mining for gold or silver.
4. It limits the amount to be received under these heads conjointly, at 1,000,000 *l.* sterling.

The other stipulations are unimportant for the purpose of ascertaining the cash equivalent of the proposition.

It is evident that the "unknown quantities" in this equation are as difficult to find as in the first. We know the *total* sum to be paid and the *proportion* of the receipts from lands and mines applicable for its payment, but we do not know the average annual sum likely to be realised from their sale. The minimum price is fixed at 1 *s.* per acre and it is doubtful if, under the proposed arrangement, the price would ever be found to exceed that sum. There is one term still to be ascertained, the average *number* of acres per annum likely to be sold and granted; a crude guess is all that the case admits of. If we take Upper Canada, possessing many advantages for early and rapid settlement, of which unfortunately the remote territories of the North West are deprived, we find that from its erection into a separate Province down to 1868, about 22,000,000 of acres had been disposed of by sale and grant, or an average of about 286,000 acres per annum.

Assuming that the same rate of sale, &c., is maintained in the North-West Territories (which all the old Hudson Bay authorities who know the country would pronounce a bold assumption), we have reduced the question to a simple reference to the Annuity Tables, as before, viz.: What is the present value of an annuity of 3,575 *l.* per annum for 280 years?

We have omitted from the last term the one-fourth of the Government receipts from gold and silver, for two reasons: first, it has not been shown that there are any gold or silver mines in the territory that will pay for working; second, all the attempts heretofore made to obtain a revenue from such sources in Canada have failed, and public opinion has forced the local Governments to adopt the policy of what may be called "free mining," or cheap lands for miners, and abolition of royalties and imposts, except to meet the cost of preserving the peace, and of surveys and necessary supervision.

There is another proposition on the Government side, which bears on the question of "compensation:" it results from the agreement between the representatives of the Government of Canada and Her Majesty's Government in 1865, and containing fewer elements of uncertainty than propositions which involve questions of Government policy, emigration, land, sales, &c., it can be reduced to a cash value with greater exactitude.

Mr. Cardwell describes the agreement as follows: "On the fourth point, the subject of the North-Western Territory, the Canadian Ministers desired that that territory should be made over to Canada, and undertook to negotiate with the Hudson's Bay Company for the termination of their rights, on condition that the indemnity, if any, should be paid by a loan, to be raised by Canada, under the Imperial guarantee, with the sanction of the Cabinet; we assented to this proposal, undertaking that, if the negotiation should be successful, we, on the part of the Crown, being satisfied that the amount of the indemnity was reasonable and the security sufficient, would apply to the Imperial Parliament to sanction the agreement and to guarantee the amount."

The Canadian delegates reported on the subject with a little more detail. "We accordingly proposed to the Imperial Ministers that the whole British territory east of the Rocky Mountains and north of the American or Canadian lines should be made over to Canada, subject to such rights as the Hudson's Bay Company might be able to establish, and that the compensation to that Company (if any were found to be due) should be met by a loan guaranteed by Great Britain. The Imperial Government consented to this, and a careful investigation of the case satisfies us that the compensation to the Hudson's Bay Company cannot, under any circumstances, be onerous. It is but two years since the present Hudson's Bay Company purchased the entire property of the old Company; they paid 1,500,000 £. for the entire property and assets, in which was included a large sum of cash on hand, large landed properties in British Columbia and elsewhere, not included in our arrangement; a very large claim against the United States Government, under the Oregon Treaty; and ships, goods, pelts, and business premises in England and Canada, valued at 1,023,569 £. The value of the territorial rights of the Company, therefore, in the estimation of the Company itself, will be easily arrived at."

The principle which this agreement between the two Governments recognises as applicable to the case appears to be, compensation in money for the ascertained rights of the Company, after deducting the value of the property retained by them. The words "if any," and "if any were found to be due," import that, in the opinion of both parties, it was possible, if not probable, that after making the deductions, no compensation would be "due."

The basis of the calculation which seems to have been made, or agreed upon, is very simple. The old Hudson Bay Company had recently sold all the rights and property of the Company, of every description, for the sum of 1,500,000 £. An inventory agreed to by both sellers and purchasers set down the assets, exclusive of "territorial" rights, as follows:

1. "The assets (exclusive of Nos. 2 and 3) of the Hudson Bay Company, recently and specially valued	£.	s.	d.
"by competent valuers, at - - - - -	1,023,569	-	-
2. "The Landed Territory (not valued) - - - - -		-	-
3. "A cash balance of - - - - -	370,000	-	-
TOTAL - - - - £.	1,393,569	-	-

On the face of their own statement, 1,500,000 £., less the above sum, or 106,431 £., was the amount which the new purchasers actually paid for the "landed territory." Under the agreement of 1865, this seems to be the highest sum which Mr. Cardwell and the representatives of the Canadian Government thought could, in any event, be demanded by the Company, as indemnity or compensation for the surrender of the rights they "would be able to establish."

We have thus attempted to convert into their equivalents in cash the two offers made to the Company since 1857 by the Imperial Government, and to ascertain the amount of the indemnity contemplated by Mr. Cardwell and the Canadian delegates, in the arrangements of 1865. To arrive at any result, we have had to assume figures which, according to our experience, the facts of a new country will be more likely to reduce than to increase. We have also omitted conditions, either implied or expressed, in the proposals of 1864 and 1868, which we believe would have imposed considerable expense upon the Company.

There

There is another mode of estimating the amount to be paid on the principle of compensation for actual loss only, which remains to be considered. The stock of the Company has, for some time, been quoted at an average of 13½. The capital is, nominally 2,000,000 *l.*, and the shares 20 *l.* The value of the stock, therefore, in cash, assuming that the whole of it could be sold at the market rate, is 1,350,000 *l.*, or 43,569 *l.* less than the value, according to their own estimate in 1863 of the Company's assets, *exclusive* of the "landed territory."

The money obtained from the public for shares, beyond the 1,500,000 *l.* paid to the old shareholders, will no doubt be amply sufficient to make good any deficiency in the valuation of 1863.

From a consideration of these data, we submit that if the validity of the Charter is not now to be questioned; if the territorial extent of the country affected by it is not to be defined; if the claim of Canada to include within her boundaries a large portion, if not the whole, of the country occupied by the French at the time of the cession in 1763, is not to be investigated, and finally determined; if the admitted incapacity and the notorious neglect of the Company to perform the *duties* of Government (which were part of the consideration for the *rights* conceded by the Charter) are not to be taken as sufficient on public grounds to justify cancellation and re-entry by the Crown; then the very highest indemnity, which ought to be paid in cash, for a surrender of the territorial claims of the Company, with the reservations and other privileges offered by His Grace the Duke of Buckingham and Chandos, is the sum indicated by the foregoing computations.

We must, in conclusion, express to Earl Granville our strong conviction that no *money* offer, which either the Imperial or the Canadian Government would deem reasonable, will be accepted by the Company, and that to delay the organisation of constitutional government in the North-West Territory until the Hudson's Bay Company consent to reasonable terms of surrender is to hinder the success of Confederation in British America, and to imperil the interests and authority of the British Crown in the territories now ruled by the Company.

We therefore respectfully submit for Earl Granville's consideration, whether it is not expedient that the Address of the Canadian Parliament be at once acted upon, under the authority of the Imperial Act of 1867.

But if his Lordship should see any sufficient legal or other objection to that course, then we ask, on behalf of the Dominion Government, for the immediate transfer to that Government of the "North-West Territory," or all that part of British North America from Canada on the east, to British Columbia, Alaska, and the Arctic Ocean on the west and north, not heretofore validly granted to and now held by "the Governor and Company of Adventurers of England "trading into Hudson's Bay," by virtue of a charter of King Charles the Second, issued about the year 1670.

We have, &c.
(signed) *Geo. Et. Cartier.*
William M'Dougall.

— No. 5. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., c. b.

Gentlemen,

Downing-street, 9 March 1869.

LORD GRANVILLE transmitted to the Governor of the Hudson's Bay Company a copy of your Letter of the 9th February,* and I enclose, by his Lordship's directions, a copy of the answer which he has received.

The conclusions to which he has been led, after a careful consideration both of the correspondence which has passed and of the various representations made orally to him by yourselves and by the Governor and Deputy Governor of the Company, are embodied in the enclosed Letter, which he has directed me to address

No. 5.
Sir F. Rogers,
Bart., to Sir G.
Cartier, Bart., and
W. M'Dougall,
Esq., c. b.
9 March 1869.
* Page 52.
26 February 1869.
Page 38.
Colonial Office,
9 March 1869.
Page 40.

address to Sir S. Northcote, and which you will be good enough to consider as conveying to yourselves also the views of Her Majesty's Government. His Lordship is confident that you will give it your earnest attention.

Command Paper,
19 June 1865,
Canada Conference.

His Lordship desires me to add, that in case the terms suggested in this letter should be accepted by the parties concerned, Her Majesty's Government would be prepared to fulfil the expectations held out in Mr. Cardwell's Despatch of 17th June 1865, and to propose to Parliament that the Imperial guarantee should be given to a loan of 300,000 £, the sum which is proposed to be paid over by Canada to the Company on the transfer of the Company's rights.

As this is a matter in which the Company has no interest, it is not adverted to in my letter to Sir Stafford Northcote.

I am, &c.
(signed) *Frederic Rogers.*

— No. 6. —

No. 6.
Sir G. Cartier,
Bart., and W.
M^cDougall, Esq.,
c.B., to Sir F.
Rogers, Bart.
27 March 1869.
* Page 63.

COPY of a LETTER from Sir *G. Cartier*, Bart., and *W. M^cDougall*, Esq., c. B., to Sir *Frederic Rogers*, Bart.

Westminster Palace Hotel, London,
27 March 1869.

Sir,

YOUR Letter of the 9th instant,* enclosing a copy of the proposals made by Lord Granville to the Hudson Bay Company in your Letter to Sir Stafford Northcote of the same date, has not been formally acknowledged by us in consequence of a doubt, not yet removed, as to the acceptance of those proposals by the Company. We stated verbally to Lord Granville our objections to his proposals, but finally consented to recommend them to the Canadian Government on condition that the Company first signified their acceptance of them.

Sir Stafford Northcote has since opened communication with us directly, and proposed important modifications of Lord Granville's terms, to which we could not assent. On some points of detail we agreed that the terms might be varied or qualified, if such variation or qualification would be likely to make the arrangements, as a whole, more acceptable to the shareholders of the Company. We understand Sir Stafford Northcote has acquainted Lord Granville with the correspondence which has passed between us on this subject.

The Company having, at their meeting of the 24th instant, postponed for a fortnight the question of accepting Lord Granville's proposals, we regret that we are unable to await their decision. Our public duties require that we should immediately return to Canada, and we have now the honour to repeat the request contained in our letter of the 9th February, viz., that immediate action may be taken by the Imperial Government upon the Address of the Canadian Parliament of December 1867, or that, pending the negotiations for the transfer of Rupert's Land, "the North Western Territory," or all that part of British North America from Canada on the east, to British Columbia, Alaska, and the Arctic Ocean on the west and north, not heretofore validly granted to and now held by "The Governor and Company of Adventurers of England trading into Hudson's Bay," may be immediately transferred to the Dominion of Canada, under the authority of the British North America Act of 1867.

We have, &c.
(signed) *Geo. Et. Cartier,*
Wm. M^cDougall.

A P P E N D I C E S.

Appendix.

APPENDIX I.

CLAUSE 146 of the BRITISH NORTH AMERICA ACT, 1867.

XI.—ADMISSION OF OTHER COLONIES.

146. It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of the Parliament of Canada, and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those Colonies or Provinces, or any of them, into the Union, and on Address from the Houses of the Parliament of Canada to admit Rupert's Land and the North Western Territory, or either of them, into the Union, on such terms and conditions in each case as are in the Addresses expressed and as the Queen thinks fit to approve, subject to the provisions of this Act; and the provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland.

Power to admit Newfoundland, &c. into the Union.

APPENDIX II.

ANNO TRICESIMO PRIMO et TRICESIMO SECUNDO VICTORIÆ REGINÆ.

CAP. CV.

AN ACT for enabling Her Majesty to accept a Surrender upon Terms of the Lands, Privileges, and Rights of "The Governor and Company of Adventurers of England trading into Hudson's Bay," and for admitting the same into the Dominion of Canada. [31st July 1868.]

WHEREAS by certain Letters Patent granted by His late Majesty King Charles the Second, in the twenty-second year of His reign certain persons therein named were incorporated by the name of "The Governor and Company of Adventurers of England trading into Hudson's Bay," and certain lands and territories, rights of government, and other rights, privileges, liberties, franchises, powers and authorities were thereby granted or purported to be granted to the said Governor and Company in His Majesty's Dominions in North America:

Recital of Charter of Hudson's Bay Company, 22 Car. 2.

And whereas, by the British North America Act, 1867, it was (amongst other things) enacted that it should be lawful for Her Majesty, by and with the advice of Her Majesty's most Honourable Privy Council, on Address from the Houses of the Parliament of Canada, to admit Rupert's Land and the North Western Territory, or either of them, into the Union on such terms and conditions as are in the Address expressed, and as Her Majesty thinks fit to approve, subject to the provisions of the said Act:

And whereas, for the purpose of carrying into effect the provisions of the said British North America Act, 1867, and of admitting Rupert's Land into the said Dominion as aforesaid, upon such terms as Her Majesty thinks fit to approve, it is expedient that the said lands, territories, rights, privileges, liberties, franchises, powers and authorities, so far as the same have been lawfully granted to the said Company, should be surrendered to Her Majesty, Her heirs and successors, upon such terms and conditions as may be agreed upon by and between Her Majesty and the said Governor and Company as hereinafter mentioned:

Recital of agreement of surrender.

Be it therefore enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as "Rupert's Land Act, 1868."

Short Title.

2. For the purposes of this Act the term "Rupert's Land" shall include the whole of the lands and territories held or claimed to be held by the said Governor and Company.

Definition of "Rupert's Land."

3. It shall be competent for the said Governor and Company to surrender to Her Majesty, and for Her Majesty by any instrument under Her sign-manual and signet to accept a surrender of all or any of the lands, territories, rights, privileges, liberties, franchises, powers and authorities whatsoever granted or purported to be granted by the said Letters Patent to the said Governor and Company within Rupert's Land, upon such terms and conditions as shall be agreed upon by and between Her Majesty and the said Governor and Company; provided, however, that such surrender shall not be accepted by Her Majesty until

Power to Her Majesty to accept surrender of lands, &c. of the Company upon certain terms.

Appendix.

until the terms and conditions upon which Rupert's Land shall be admitted into the said dominion of Canada shall have been approved of by Her Majesty, and embodied in an Address to Her Majesty from both the Houses of the Parliament of Canada, in pursuance of the one hundred and forty-sixth section of the British North America Act, 1867; and that the said surrender and acceptance thereof shall be null and void unless within a month from the date of such acceptance Her Majesty does by Order in Council under the provisions of the said last-recited Act admit Rupert's Land into the said Dominion; provided further, that no charge shall be imposed by such terms upon the Consolidated Fund of the United Kingdom.

Extinguishment of all rights of the Company.

4. Upon the acceptance by Her Majesty of such surrender all rights of government and proprietary rights, and all other privileges, liberties, franchises, powers, and authorities whatsoever, granted or purported to be granted by the said Letters Patent to the said Governor and Company within Rupert's Land, and which shall have been so surrendered, shall be absolutely extinguished; provided, that nothing herein contained shall prevent the said Governor and Company from continuing to carry on in Rupert's Land or elsewhere trade and commerce.

Power to Her Majesty by Order in Council to admit Rupert's Land into and form part of the Dominion of Canada.

5. It shall be competent to Her Majesty, by any such Order or Orders in Council as aforesaid, on Address from the Houses of the Parliament of Canada, to declare that Rupert's Land shall, from a date to be therein mentioned, be admitted into and become part of the Dominion of Canada; and thereupon it shall be lawful for the Parliament of Canada, from the date aforesaid, to make, ordain, and establish within the land and territory so admitted as aforesaid, all such laws, institutions, and ordinances, and to constitute such courts and officers as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein: provided, that until otherwise enacted by the said Parliament of Canada, all the powers, authorities and jurisdiction of the several courts of justice now established in Rupert's Land, and of the several officers thereof, and of all magistrates and justices now acting within the said limits, shall continue in full force and effect therein.

Jurisdiction of present Courts and officers continued.

APPENDIX III.

COPY of a LETTER from the Right Hon. Sir *Edmund Head*, Bart., K.C.B., to Sir *F. Rogers*, Bart.

Sir,

Hudson's Bay House, London, 11 November 1863.

I HAVE the honour to acknowledge your letter of the 9th ultimo, in which you state that his Grace the Duke of Newcastle will be ready to consider any proposal submitted to him by the Hudson's Bay Company with reference to the introduction of the direct authority of Her Majesty's Government in Rupert's Land. It is gratifying to myself and the Committee to find that an opening is thus afforded for discussing plans which, to us, appear to have an important bearing on the future welfare of British North America.

At the same time, in order to avoid all misapprehension, it may be right to observe that it is not precisely as a boon to themselves that the Hudson's Bay Company have called his Grace's attention to the establishment of a colony at Red River. Probably their commercial interest would be equally served if things remained as they are, and if their trade were carried on as it has been. It is not, at any rate, with a view to immediate pecuniary profit that they have raised this question, and it is likely, for the present at least, that they would lose fully as much as they would gain by the increase of settlement in the chartered territory. Such appears to have been the unvarying opinion of this Committee before the change made in July last.

It may, no doubt, be said that the Hudson's Bay Company are merely endeavouring to escape from the troublesome responsibility of governing the Red River Settlement and the adjacent district.

In answer to this, I would observe that the responsibility, whatever it may be, which is imposed by the charter on the Company must be correlative with the rights and powers vested in them for the purpose of discharging that duty. What these rights and powers are not, is pretty clear from the following passage in the letter of the Law Officers of the Crown, dated 1st July 1857 (Appendix to Report of Committee, page 404). These gentlemen say:—

"But with respect to any right of Government taxation, exclusive administration of justice, or exclusive trade, otherwise than as a consequence of the right of ownership of the land, such right could not be legally insisted on by the Hudson's Bay Company as having been legally granted to them by the Crown."

The power of taxation may be thought to be the first and necessary condition of all effective powers of Government; but if this first condition is wanting, it would seem to follow that the powers vested in the Company of governing others than their own servants and dependants must be of a very limited character; and if the power is limited, so also must the responsibility be limited.

The Company are fully competent to manage their own people, and they believe that they have proved themselves more competent to manage the Indians than any Government or

Association

Association which has yet tried its hand at this work in North America. They have preserved peace and good-will on one side of a frontier when war and savage hatred have raged on the other. They have done so, no doubt, from interested motives, but the motives of those who failed in accomplishing the same task, have perhaps not been more pure.

In the present case the question at issue is not the Government of the Hudson's Bay officers and servants, or of the Indians, but the exercise of proper authority and protection over those subjects of her Majesty, mostly unconnected with the Company, who have chosen to settle at Red River, or who may hereafter settle in the adjoining territory. These considerations then, and the future position of British interests in North America (in which, no doubt, the Hudson's Bay Company are deeply interested), not the hope of immediate advantage, have induced the present Committee to express, as they have done in their resolution of the 28th August last, the conviction that the time had arrived for introducing into these regions the direct authority of the Crown.

I have to assure his Grace, that the Committee will esteem themselves fortunate if they are able to co-operate with him in the establishment there of such a Government as he may deem fitted for the wants of the people and the circumstances of the time.

I have had the honour of several conversations with you on this subject, from which I infer that the Secretary of State is unwilling to deal with the question of establishing a Colonial Government in Rupert's Land, so long as the Company maintain, unimpaired, their claim to the exclusive ownership of the soil within that territory. It is not for me, or the Committee of the Hudson's Bay Company, to discuss the reason for such a view. We certainly assume that the Company are proprietors of the land under the charter, and we think that this *primâ facie* title is impliedly recognised in the letter of the Law Officers of July 1st, 1857, already quoted. No one has contested in a court of any kind a possession which has existed for 200 years; and the Committee do not, themselves, clearly see why the exercise of this private right of ownership of the soil, by individuals, or by a corporate body, should be deemed incompatible with the exercise of the Queen's public authority in matters of government. They do not see why that which is the normal state of things in most other colonies should be inadmissible in this particular portion of British North America; but it is not their business to enter into this question. They are anxious to do all they can to smooth over difficulties rather than raise them, and I will, therefore, proceed to consider what would probably be the nature of the territory to be included in any such Colony, and what are the measures which the Hudson's Bay Company would be prepared to take in order to facilitate its establishment. It will be for his Grace the Duke of Newcastle to decide whether the sacrifices they are ready to make are of a nature to warrant any action on the part of the Crown.

With regard to the extent of the proposed Colony, of which the seat of Government would be Red River (or Fort Garry), the Committee presume that his Grace would wish it to include the whole country from the frontier of the United States, to the north branch of the Saskatchewan, and to extend eastward towards Lake Superior as far as the frontier of Canada, wherever the precise line of that frontier may be found. Perhaps the most convenient limit for the northern boundary would be either the Saskatchewan itself, or a line running from the Rocky Mountains eastward through Edmonton House and Fort Cumberland, and from the latter following the Saskatchewan down to Lake Winnipeg. Nothing would be gained by going farther to the northward, nor by including the eastern side of Lake Winnipeg, but from the mouth of the Winnipeg River where it enters the lake, the line of demarcation might be run eastward until it cut the Canadian frontier somewhere north of Lake Superior or Lake Huron.

Of this large tract, Assinaboia, or the district round Red River, forms but a small portion, although it includes a good deal of the land which is probably fittest for settlement. In 1834 the Hudson's Bay Company repurchased this district from Lord Selkirk for a consideration amounting to upwards of 80,000 £. This fact alone makes it clear that it would be impossible for the Committee, as Trustees for the Company, to entertain the question of ceding the ownership of the soil without compensation or equivalent of some kind.

The most obvious, simple, and satisfactory settlement of the question of transfer would of course be that the Crown should compensate the Company for their property by a sum of money paid either at once or in a series of annual payments; but to the supposed value of the soil would have to be added the price of the Company's interest of all mines of gold and silver which are by express words given in the Charter. It is clear that the recent discovery of gold in the territory would cause the proprietary to reject any bargain which implied the gratuitous cession of these rights. The Committee would be quite willing that the exact amount to be paid to the Hudson's Bay Company for the land should be calculated on the principle of what they themselves paid to Lord Selkirk for a portion of it, and they would be prepared to discuss the fair worth both of territory and mining rights, or to submit the assessment of their value to impartial arbitrators.

But the Committee also know that the Secretary of State may find difficulties in the way of a large money payment of any kind, and in order, as far as they can, to remove all obstacles to this negotiation they have authorised me to propose another alternative as a middle course, which they think would be admissible, although far from welcome to many of their own proprietors.

This alternative is as follows, viz., that, subject to certain special stipulations to be stated hereafter, the Company should retain the ownership in fee simple of one-half of the lands in the Colony and the other half should be conveyed by the Company to the Crown. The actual division should be one based on considerations of the extent and value of different

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sections, derived from soil, situation and climate. The details might be settled afterwards if the principle were once admitted. In the portion fitted for settlement and along the frontier the division might be made at once in alternate blocks of so many thousand acres, or so many square miles. In the unsettled and remote portion of the country the division might stand over indefinitely, provided a power was given to either party to initiate proceedings against squatters and trespassers. The undivided lands might be managed by a board of commissioners.

The stipulations of which I have spoken, and which it appears to the Committee would be reasonable, are as follows :

1st. The Hudson's Bay Company should have the sole right to erect, and should bind themselves to complete, within five years, an electric telegraph to connect British Columbia and Canada. The line for this telegraph should be approved by the Secretary of State, and it should be maintained by the Company, who would of course engage to convey the messages of the Imperial and Colonial Governments at a fixed and moderate rate.

It would be necessary as a condition precedent to the erection of the telegraph,—

(A.) That the Governments of British Columbia and Canada should pledge their faith respectively to the Secretary of State to pay the yearly sum set forth in the enclosures to the Despatch of 31st July 1862, with all the advantages as to lands to be granted by Her Majesty's Government, and other terms therein specified.

(B.) That a road should be laid out along the line of telegraph, but the soil on which the telegraph stands, and the space (say one mile in width on one side of its course) should belong to the Hudson's Bay Company, to be reckoned as part of the half of the land which they would retain. The other side of the road might be included in the half belonging to the Crown.

(C.) That the Company, in constructing the telegraph, should be entitled to use wood or other materials taken from ungranted land.

2nd. The Crown shall resume the grant of mines and diggings of gold and silver throughout the Colony on condition of paying to the Hudson's Bay Company one-third of the receipts of all dues, royalties, rents, &c. from such mines or diggings, whether raised by way of export duty or otherwise ; but the Company should not be liable for expenses of collection or escort.

3rd. The buildings required for military or Government purposes at Fort Garry or Red River should be valued and purchased of the Company.

4th. The Company should retain, as a portion of their half of the lands, all lots already laid out and surveyed, as well as 5,000 acres round each of their forts or posts.

The Committee trust that the Duke of Newcastle will view these proposals of theirs as an evidence of an anxious desire to meet His Grace's wishes.

While suggesting a plan which involves the cession of the Company's right of property over one-half of a vast tract of British North America, the Committee simply ask that the Crown will exercise on British soil, in favour of British subjects, that amount of control and protection which the Queen's prerogative can alone afford ; a protection, in other cases, at least, deemed perfectly consistent with the unimpaired enjoyment of existing rights of private property, and which, in fact, is commonly thought to be directed specially to the maintenance of those very rights against wrong and violence of any kind.

Sir Frederic Rogers, Bart.
&c. &c. &c.

I have, &c.
(signed) *Edmund Head*,
Governor of the Hudson's Bay Company.

COPY of a LETTER from *Chichester Fortescue, Esq., M.P.*, to the Right Honourable Sir *Edmund Head, Bart., K.C.B.*

Sir,

Downing-street, 11 March 1864.

THE Duke of Newcastle has considered, with the care which their importance requires, the proposals contained in your letter of the 11th November last, respecting the introduction of the direct authority of Her Majesty's Government into Rupert's Land.

The first of these proposals is as follows :—It appears that in 1834 the Company purchased from Lord Selkirk the tract of land called Assinaboia, on which the Red River Settlement now stands, for a consideration amounting to upwards of 80,000 £. You propose to cede to the Government that territory, together with a far larger tract described in your letter, on receiving :

1. £. 80,000. for the district of Assinaboia.
2. A payment for the rest of the land calculated on the principle of what the Company paid to Lord Selkirk, and
3. The price of the Company's right to all mines of gold and silver.

His

His Grace infers from the tenour of your letter that the payment made to Lord Selkirk was an actual payment of 80,000 £. in money, and not a mere share in the profits of the Company, to some amount supposed to be equal to 80,000 £. But, however the payment was made, he apprehends that it formed part of a large arrangement by which the two companies, which are now combined in the Hudson's Bay Company, put an end to a competition which was becoming ruinous to both of them, and had to be stopped at all hazards. If this is the case, the terms of purchase afford no safe grounds for conjecturing whether 80,000 £. was really a fair market price for the land at the time of the purchase. But his Grace cannot consider this statement to have any bearing on the present negotiation. It appears to him that in making a purchase of land there are really only two questions to be considered, first, what the land is worth to the vendor, and, secondly, what it is worth to the purchaser. It is plain that neither of these questions is even remotely affected by the price which (wisely or unwisely) may have been paid for it to Lord Selkirk in 1834. And his Grace is unable therefore to adopt the proposed principle of valuation.

Nor could he consent to pay the assessed value of the gold and silver which is or may be found in the Company's territory. On this subject a good deal of experience has already accumulated. Judging from this experience, it is very doubtful whether the Crown could raise a revenue from the gold miners more than sufficient to meet the expenses which they entail, and very probable that the revenue so raised might be insufficient for its purpose. That a private corporation should succeed in compelling this class of persons to pay any considerable revenue to be expended, not for the digger's own benefit, nor even for the benefit of the general community, but for the benefit of the corporation, his Grace holds to be absolutely impossible.

He does not consider therefore that the interests of the company in the unascertained and unavailable source of profit is a matter capable of assessment.

Thus much as to the principle of valuation. Passing to the mode of payment, his Grace observes that you are alive to the difficulty of applying to Parliament for a grant of money from the Imperial Treasury. But he thinks it necessary to state clearly that the difficulty is, in his opinion, insuperable, and that having reference to the position of the Company and the views on Colonial expenditure, which are prevalent in and out of the Legislature, any appropriation of Imperial funds by vote of Parliament to the compensation of the Company must be considered as out of the question.

It follows to consider the second alternative proposed on the part of the Company; but before doing so, I am directed to notice your observation that the exercise of the private right of ownership of the soil by individuals, or by a corporate body, need not be deemed incompatible with the exercise of the Queen's authority in matters of government, and you point out in support of your opinion that this is in fact the normal state of things in most other Colonies. This the Duke of Newcastle fully admits. He would even add that it is also the normal state of things in the United Kingdom and in most other settled countries.

The obvious distinction lies in the fact that these colonies and countries *are* settled. From this fact it follows first that there is a large amount of property, independent of any proceeds derivable from the sale of land, which is applicable to the government and improvement of the country, and next that it is not a matter of public policy to attract immigration by a wise disposal of the public lands. In an unsettled colony there is no effectual mode of taxation for purposes of government and improvement, and the whole progress of the Colony depends on the liberal and prudent disposal of its land. These considerations afford decisive reasons against leaving that land in the possession of a corporation; and I am to observe that these objections, conclusive in any case, are greatly enhanced in the case of the Hudson's Bay Company, as I learn from your letter that it has been "the unvarying opinion" of the committee, on whose behalf you speak, that the Company would "lose fully as much as they would gain by the increase of settlement in the chartered territory." It is therefore (to say the least) a question whether the Company would not be under a direct inducement to use their proprietary rights to thwart the colonizing efforts of the Government.

It is true that in former times the whole soil of a settlement was frequently conveyed to a proprietary body; but in these cases the responsibilities of Government followed the grant of property. Those who were invested with extensive corporate rights of possession bore (like the East India Company in its earlier days) the whole expense both of civil government and of military defence.

In Prince Edward Island the right of property was more recently disjoined from that of Government, but the result has not been such as to invite imitation.

The second alternative proposed in your letter, then, is this; that the whole territory which it is proposed to bring under the authority of the Crown should be divided into large blocks or tracts of land, which shall be assigned alternately to the Crown and to the Company. Waste lands, till so assigned, being managed by a board in which both parties should be represented.

To this proposal his Grace feels himself unable to assent. The difficulties of management which might be expected to arise in working such a plan, would in themselves be sufficiently formidable. The expense, delay, and controversy which might arise in defining and maintaining the boundaries of Crown lands, and the improbability that a cordial agreement would continue between the persons representing different and often conflicting interests in the proposed land board, are serious dangers. But the conclusive objection to the scheme is that it would reproduce in a gigantic shape the inconveniences which on a

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far smaller scale were found intolerable in Canada. It is evident, as a matter of reasoning, and notorious as a matter of fact, that the interposition of large blocks of property between tracts or districts of Crown land, must obstruct the opening up of those districts, unless it fortunately happens that the private proprietor is ready to expend money *pari passu* with the Government in the construction of roads and other improvements, and to conform his land policy to that of the authorities.

It is also clear that colonists of the Anglo-Saxon race look upon the land revenue as legitimately belonging to the community, and that the diversion of half, or more than half, of that revenue to the purpose of increasing the dividends of a private corporation, would cause a continual and growing discontent which could not be allayed by any abstract argument of right, and the full force of which the Government would be expected by the company to sustain.

His Grace cannot consent to make himself responsible for these consequences, and he is therefore obliged to treat as inadmissible any proposal for the proprietary partition of those territories which may be placed under the government of the Crown.

The only terms which, after a very grave consideration of your letter, he feels himself able to propose for the acceptance of the company, are the following :

1. That within certain geographical limits (coinciding more or less with those laid down in your letter) the territorial rights of the company should be surrendered to the Crown.

2. That the sum of 1 s. per acre on every acre sold by Government should be paid to the company, and payment to cease when their aggregate receipts from this source shall exceed 150,000 £., or on the expiration of 50 years.

3. That one-fourth of the sum received by the Government as an export duty for gold, or on leases of gold mines, or licenses for gold mining, shall be payable to the company for 50 years, or until the aggregate receipts shall amount to 100,000 £.

4. That on these conditions a government be established in the ceded territories; Great Britain undertaking the expense and risk of that government until the Colony is able to support it, as in British Columbia, and other Colonies.

It must be clearly understood that the payments contemplated in the second and third of these articles are entirely dependent on the Government receipts, and that the Government will not be pledged to any particular form of levying a tax upon gold.

If the company should find themselves unable to accept these terms, or some modification of them, his Grace does not see how it will be possible for him to recommend that the Crown should assume any responsibility in respect of the Hudson's Bay territories, and it will rest with the Company to apply to Parliament for such powers, as may, in their opinion, enable them to preserve order in the country in which they are interested.

I am, &c.

Right Honourable Sir Edmund Head, Bart.,
&c. &c. &c.

(signed) *Chichester Fortescue.*

P.S.—Since the above letter was drafted, his Grace has received from the Governor General of Canada a Despatch, from which it appears that the Canadian Government contemplate the assertion of a claim to all that portion of Central America which can be shown to have been in the possession of the French in 1763. It must be understood that the above suggestions are made on the supposition that the cession by the Company will place Her Majesty's Government in possession of an indisputable title to the territory ceded by them.

COPY of a LETTER from the Right Honourable Sir Edmund Head, Bart., to
Chichester Fortescue, Esq., M. P.

Sir,

Hudson's Bay House, London, 14 March 1864.

I HAVE the honour to acknowledge your letter of the 11th instant, which has been laid before the Committee of the Hudson's Bay Company, by whom I am authorised to make the following remarks :

The Committee deeply regret to find that none of the proposals made by them has been found admissible by his Grace the Secretary of State for the Colonies ; but as this is the case, there is no further use in discussing the principles on which they were based, or the details involved in them.

On the other hand, the Committee would feel it their duty at once to address themselves to the consideration of the counter proposal contained in your letter of the 11th, were it not for the postscript of that letter relating to the claims of Canada.

It is true that these claims are not new ; they were expressly stated in the same form in the petition from the Board of Trade of Toronto, which was before the Parliamentary Committee of 1857, and they were in fact discussed by that Committee, and were referred to in the letter of the Attorney and Solicitor General to the Right Honourable H. Labouchere. The Law Officers there say, that the question of boundary could not be made the subject of a *quasi* judicial inquiry without the consent of both parties, and that a decision of a Committee of the Privy Council would have no effect in such a case as a binding judicial determination. They had previously stated, that "in the case of grants of a considerable

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"age, such as this charter, when the words, as is often the case, are indefinite or ambiguous, the rule is, that they are construed by usage and enjoyment, including in these latter terms the assertion of ownership by the Company on important public occasions, such as the Treaty of Ryswick and Utrecht, and again in 1750."

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When Sir Frederic Rogers, in his letter of 9th October 1863, intimated the readiness of his Grace the Secretary of State to receive any proposal made on the part of the Company, the fact that these claims had been made by Canada, and had not been waived, was as well known as it now is. The nature of the title of the Hudson's Bay Company also was then as well, perhaps better, known to the Secretary of State than it is to us. I say, perhaps better, because the Law Officers of the Crown have, we believe, at various times given the Colonial Office the benefit of their observations thereon, an advantage which the Company, of course, have not enjoyed to the same extent.

We believe the title of the Hudson's Bay Company to be good, and we are prepared to defend it in any court in which it may be impugned; but we are not prepared to originate any inquiry of the kind, or to undertake to give any guarantee, or to present to the Secretary of State any title other than that which I have already said is as well known to his Grace as it is to ourselves. Such as it is, it must be taken for better for worse, for we have no other to offer, and we believe that to be sufficient. If, therefore, any such guarantee or undertaking is a condition precedent to the completion of an arrangement on the basis now suggested in your letter of the 11th instant, it will, we fear, be wholly useless for us to enter into the consideration of the principle of that offer, or any discussion how far the details involved in it are or are not acceptable to the Company, or how far the amount of compensation would be sufficient.

If, indeed, the question were one only of some few miles, more or less, of boundary, the case would be wholly different. But in the form in which the claim is presented to us in your postscript, it appears to the Committee to make all further action impracticable.

We may perhaps be permitted to make one other remark on the postscript of your letter.

The claim of Canada, if it means anything, seems to assert that certain rights of a foreign power modify the operation of the Charter. These foreign rights were acquired by Treaty for the Crown of England in 1763, nearly 100 years after the grant of the Charter. Now, after the possession and recognition in various ways for two centuries, the validity of this instrument is attacked on the ground of those supposed rights. The claim thus made may be good or bad, but it appears to us singular that the Company should be required by the Crown itself to warrant the validity of its own Charter. There are legal methods, no doubt, of rescinding, by the courts, improvident or unlawful grants emanating from the Crown. In 1857 the Law Officers were consulted by Mr. Labouchere as to the possibility or equity of having recourse to proceedings of this kind in this case, and they gave their answer in the letter referred to above. Our rights, such as they are, come from the Crown, and it seems to us, who are unlearned in the law, somewhat strange that the Crown, the grantor, should ask of the Hudson's Bay Company, the grantee, a warranty for a title derived immediately from itself. It adds to this apparent anomaly, that the only competing title against which the warranty could be required is the title of the Crown itself in another shape. We presume that the object of the Canadian Government is to open the country for settlement -- an object which it would be in the power of the Colonial Office to secure at any rate, and which the Hudson's Bay Company have no wish whatever to prevent.

Appendix to Report,
pp. 403 and 404.

But for this preliminary difficulty, arising from the postscript to your letter, it would now be my duty to call your attention to the fact that that letter makes no allusion to a substantive portion of our offer, to which we attach great importance; that, namely, of erecting, on certain terms, an electric telegraph across the Hudson's Bay territory. We have ceded to no one the right to do this, and we are perfectly ready, on fair conditions and as part of the arrangement, to undertake to do it ourselves; nor is anything said, in the counter proposal made by you, as to the portions of land which the Company might be allowed to retain as private property, nor as to the manner in which their posts, or their buildings and improvements would be dealt with.

To revert for a moment to the electric telegraph, it is obvious that, so far as it goes, the mere appearance of a vague claim on the part of Canada, pressed upon us now or countenanced by the Secretary of State, must have a tendency to deter us from any outlay of capital in this or any other form. We had hoped to have taken the first steps for the erection of the telegraph in the present season, and we know by experience that in a distant country where winter begins early and lasts till late, a season lost is the loss of the whole year.

I trust, sir, that in laying these remarks before his Grace the Secretary of State, you will assure him that they are offered with great humility and respect, and that we are as ready as we ever were to deal in a fair and candid spirit with this or any other offer made to us. So far as the proposal itself goes, and irrespective of this question of title, the Committee rejects no basis of negotiation (if that is a proper word to use in a correspondence between a private company and Her Majesty's Government), and what they have said is dictated only by a sense of the duty incumbent on them to uphold the interests of the Company whose affairs they administer.

I have, &c.

Chichester Fortescue, Esq.

(signed) *Edmund Head,*

&c. &c. &c.

Governor.

Colonial Office.

Appendix.

COPY of a LETTER from *C. Fortescue* Esq., M.P., to the Right Honourable
Sir *E. Head*, Bart., K.C.B.

Sir,

Downing Street, 5 April 1864.

I AM directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 14th ultimo, in which you state that the Committee of the Hudson's Bay Company are prevented by the postscript of my letter of the 11th from taking into consideration the proposals contained in that letter relating to the transfer of part of Rupert's Land to the Crown.

It appears to the Duke of Newcastle that the Committee has somewhat misapprehended the intention with which that postscript was written.

It is assumed, for the present purpose, that the grant to the Hudson's Bay Company is a valid grant; but it appears to be contended on the part of Canada, that whether valid or not, an instrument which only granted to the Company land not in possession of a foreign power in the year 1670, could not, from its very terms, comprehend in 1763 a territory which then belonged to the French, and which it is contended must therefore have then belonged, and belongs now to Canada.

If this claim, on the part of Canada, were established it would evidently be impossible for Her Majesty's Government to secure that lands to which it extended, should when sold, be subject to a payment of 1s. an acre to the Hudson's Bay Company. It is therefore impossible for his Grace to make any pledge of this kind, except as to land which is beyond the scope of the Canadian claim.

As regards the territories west of the Mississippi, to which the present negotiation in the main relates, the Duke of Newcastle, after a careful examination, is prepared, for the purpose of the present negotiation, to assume that the Canadian claim is groundless. And he therefore authorises me to renew the proposals contained in the body of my letter of the 11th, subject to the following stipulation: that in case it should be found advisable to cede or annex to Canada any territory lying eastward of a line passing through Lake Winnipeg, and from thence to and through the Lake of the Woods, Her Majesty's Government should be at liberty to exempt the annexed territory from all payment to the Hudson's Bay Company, which payments would thenceforth be exclusively leviable (without any deduction from their amount) on the territories acquired by the Crown to the west of the above line of demarcation. His Grace hopes that this suggestion will remove the difficulty by which the Hudson's Bay Company at present conceive themselves to be embarrassed.

His Grace did not direct me to offer any observation on your proposal for the construction of a road and telegraph, because he had already commenced negotiations on that subject with gentlemen representing the Atlantic and Pacific Telegraph and Transit Company, whose project he had recommended to the favourable consideration of the Colonies concerned. He is now informed, that this company has transferred its rights and responsibilities to the Hudson's Bay Company. That transfer his Grace is most willing to recognise, if it is recognised by the Colonies concerned. And he is further willing, that on the completion of the road and telegraph, from the frontier of Canada to that of British Columbia, lands adjacent to the line shall be granted to the company, at the rate of one square mile for every lineal mile of road and telegraph constructed on Crown land between the line of demarcation, above described, and the frontier of British Columbia.

The form and exact situation of these grants should, in his Grace's opinion, be left for future discussion, the principle being, that a strip of land, two miles in width, along the line of road and telegraph, is to be divided equally between the Government and the Company. But, in other respects, the grants will be subject to the conditions expressed in the 3rd article of a Memorandum, enclosed in a letter addressed to the Duke of Newcastle by Mr. Watkin, on the 28th April 1863,* and in Mr. Fortescue's answer of 1st of May, and must be understood to stand in lieu of the grants contemplated by that article.

I enclose a Parliamentary Paper, in which Mr. Watkin's letter is printed, with the correspondence relating to it.

The Right Hon. Sir E. Head, Bart.

I am, &c.
(signed) *C. Fortescue*.

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to
C. Fortescue, Esq., M.P.

Hudson's Bay House, London,
13 April 1864.

Sir,

I HAVE had the honour of receiving your letter of 5th April,* which has been laid before the committee of the Hudson's Bay Company, and considered by them at a special meeting summoned for that purpose.

After the explanation given with reference to the postscript of your letter of the 11th ultimo, the Committee feel that they are in a position to renew the negotiation, with every hope of coming to a satisfactory conclusion. They think this, because they trust it will be found that their demands, on the part of the Company, differ in degree, rather than in principle, from the offers made by his Grace the Duke of Newcastle.

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H. of C., No. 438 of
1863, page 12.

* Above.

2. The Committee do not object to the proposal that a payment of 1s. per acre for all lands sold should be made to the Company, in proportion as the money is received by the Government; nor do they object to the term of 50 years as the limit of time, after which such payment should cease. They think, however, that if a limit of time is fixed, there ought to be no limit of amount, inasmuch as the Government pay nothing beforehand, and will be called on to hand over the money only on the supposition that they receive a larger sum themselves. If the lands sell freely the receipts of the Government will be increased, and the Committee do not see why the share of the Company should not in justice increase in proportion.

If, however, any limit in the amount of the payments to be made to the Company by this and the next article is absolutely required, the Committee would be willing to agree that the produce of the two together; that is, of the 1s. an acre for land, and the percentage on the gold, should not, in the aggregate, exceed 1,000,000*l*.

It is necessary to make one observation with reference to the payments on account of land. According to the letter of the proposal, it would be open to the Colonial Government to defeat the claim of the Company altogether by adopting a system of free grants; and it must therefore be understood, if this is done on any ground of policy, the payment to the Company should be made notwithstanding.

3. With regard to the per-centage on the proceeds of gold, the Committee are willing to accept the proportion of one-fourth, as stated in your letter, it being clearly understood that they are not called on to defray any portion of the expense of collection or escort. Here again, however, it appears to the committee, whilst they are willing to admit the limit of time, that the limit in amount, looking to the contingent nature of the payment, ought to be withdrawn.

At any rate, they could consent to it on the terms already stated in Article 2; that is to say, if the possible limit were extended to 1,000,000*l*. for both lands and gold conjointly.

4. If, in exchange for the rights to be ceded by the Hudson's Bay Company, the Government were about to pay an adequate money consideration not contingent in its character, there would be, of course, no reason why the sellers should expect to retain any large portion of the soil, or to reserve to themselves the chance of future benefit from the future prosperity of the Colony. But the offers now made are of a totally different character. No profit will accrue to the Company unless the Government itself makes a higher one; and the committee, as trustees for the proprietors, feel it to be absolutely necessary to stipulate for certain additional reservations in land, which I will proceed to specify. I may add, too, that such a reservation would appear to be politic in the interest of the Colony itself. For many years to come the Company must be closely connected in trade with the territory which they propose to relinquish; and it appears important, on every account, that they should retain what may be called "a share in the stake"; that they should feel their own interest on landowners, as well as merchants, wrapped up with those of the Colony, and should have every inducement to contribute, by their influence and proceedings, to its future well-being and tranquillity. There is nothing, perhaps, in which the Company could exert this influence more beneficially than in discouraging the use of spirits in the trade with the natives; and it would be their interest and their wish to second every effort of the Colonial Government in this direction.

The Committee therefore ask—

(a). That the Company should retain as private property all their posts and stations on which buildings have been erected, with an area of not less than 6,000 acres round each such post; but they do not of course intend that this clause should apply to the Red River Settlement.

(b). That they should, in like manner, retain all lots set out and occupied by them.

(c). That whenever the Government of the Colony shall have sold or granted 50,000 acres, the Company should be entitled to a grant of 5,000 acres of wild land, to be selected by them.

The Committee have proposed this mode of reservation, because it appears to them to obviate the objection which may reasonably be made to setting apart beforehand a number of isolated tracts of wild land, dotted over the surface of the Colony, and calculated to impede the free flow of settlement in the territory. In this manner the grants to the Company will only proceed equally with the progress of colonisation; and the demand will hardly seem extravagant when it is considered that the total number of acres to be at once handed over cannot be estimated at less than 200,000,000.

5. The Committee think it necessary to provide that the Colonial Government shall not at any time tax the lands or property of the Company, in any way, or on any scale, different from that on which the lands or property of other proprietors are taxed.

6. The Committee assume that all charges of a public character which now fall on the Hudson's Bay Company shall, as a matter of course, be transferred to the Government of the Colony. As regards the salary of the Bishop of Rupert's Land, the Company, by the Governor and Deputy Governor, act jointly with others as trustees of what is called "The Leith Fund." For the discharge of these trusts, so far as that fund is concerned, they of course would remain answerable, but they think that they ought to be relieved of any obligations (over and above the proceeds of the fund) which they have taken on themselves as a matter of liberality and public policy. In an equitable arrangement of all these matters, without injury to the interest of the Church or of individuals, the Committee see no real difficulty.

Appendix.

7. The next point to be dealt with is the important question of the electric telegraph, and the opening a communication sufficient for the passage of the mails across the present territory of the Company from Canada to British Columbia.

The Committee are quite willing to accept the paper submitted by Mr. Watkin to his Grace the Duke of Newcastle as the basis of this arrangement, and are prepared to place themselves substantially in the position of the Atlantic and Pacific Transit and Telegraph Company, subject to the following alterations;—

The point at which the telegraph will probably begin on the eastern side of the territory, will be either Pembina or Rainy Lake, according as Canada may or may not adhere to the original terms proposed. If Canada should decline to fulfil what is laid down in the paper referred to, the Company will of course be compelled to make the best bargain they can with the lines traversing Minnesota, and passing through the United States; and they will have to forego the guarantee of interest originally held out from Canada. Rainy Lake is named, not as being the admitted frontier of the province, but simply as the conventional point eastward, assumed in your Despatch.

With regard to the third article in the paper referred to, the letter of its provisions is not wholly applicable to the altered state of things; but in accordance with your letter of the 5th instant, the Committee are willing to adopt its spirit as the basis of the arrangement to be made. They cannot however admit that one square mile for every lineal mile of telegraph would be an adequate allowance of wild land for such an undertaking. They believe it will be found that in all such enterprises through an unsettled country in America, the proportion of land granted to the contractors has been far larger, and they think that the claim in their case is strengthened, rather than weakened, by the fact that the land to be passed through is a very small portion of that which they themselves propose to cede for a consideration for a time, at least little more than nominal.

The Committee, on referring to the printed correspondence forwarded by you, find that Sir Frederic Rogers, in his letter of 28th August 1862 (p. 7), expressed the gratification of his Grace the Duke of Newcastle at the readiness of the Company to make a grant of land to the promoters of the proposed passenger and telegraphic communication; but they believe, on the best authority, that the most moderate demand ever made by Mr. Watkin, when then sent to the Company by his Grace, very far exceeded the breadth of five miles of wild land for every lineal mile of telegraph. Below this amount of wild land to be set out in alternate sections, as proposed in the 3rd article (p. 13) of Mr. Watkin's paper, the Committee could not reduce their demand.

8. Such, sir, are the conditions which the Committee feel bound to offer to Her Majesty's Government, after a full consideration of all the circumstances of the case. Even with these conditions they do not feel sure that they shall escape, on the part of their proprietors, the question, "What are we to obtain for this cession of our rights in so large a territory? Why are we (the Hudson's Bay Company) to purchase at so large a cost the exertion of the Queen's authority on British soil rendered necessary by no fault of ours"? Could we, under any circumstances, be worse off than we shall be in sacrificing, for a contingent consideration, this vast mass of property, and the chance of profit from its future development.

If we did not think that these questions admitted of a satisfactory answer, we should not, as trustees for the proprietors, convey to you the offers made in this letter. But it may be difficult to convince our shareholders that (as we believe) the real interests of the Company and of Her Majesty's Government will be equally promoted by their adoption in the form now suggested.

I have, &c.
(signed) *Edmund Head*, Governor.

The Right Hon. Chichester Fortescue,
&c. &c. &c.

COPY of a LETTER from Sir *F. Rogers*, Bart., to the Right Honourable
Sir *E. Head*, Bart., K.C.B.

Sir,

Downing-street, 6 June 1864.

I AM directed by Mr. Secretary Cardwell to inform you that he has had under his consideration your letter of the 13th of April last.

Mr. Cardwell will not be prepared to accept, without considerable modifications, the terms contained in it. But before sending to you, in answer, the terms to which he would be prepared to bind Her Majesty's Government, he feels that it will be necessary to consult the Lords of Her Majesty's Treasury, and to ascertain more fully the views which may be entertained by the advisers of the Governor General of Canada.

In the meantime he does not understand that you are willing to undertake to complete a line of telegraph and road to the Pacific until you shall have received the assurances from Canada, British Columbia, and Vancouver Island, to which reference has been made in the former correspondence.

I am, &c.
(signed) *Frederic Rogers*.

The Right Hon. Sir *E. Head*, Bart.
&c. &c. &c.

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to
Sir *F. Rogers*, Bart.

Sir,

Hudson's Bay House, London, 7 December 1864.

In my letter of 13th April 1864,* a definite proposal involving the cession of a certain portion of the Company's territory, and rights of property therein, was made by me (subject to the approval of the proprietors) on behalf of the committee of the Hudson's Bay Company. We cannot but feel that the long delay which has taken place in answering this proposal has been detrimental to the interests of the Company in more ways than one; but, looking to the reasons assigned by the Right Honourable the Secretary of State for such delay, in your letter of 5th April 1864, we have not hitherto felt at liberty to press for a final decision.

* Page 72.

The discussion which has now arisen respecting the union of the North American Provinces under one government, has made us think it may be expedient for us to submit to the Secretary of State another scheme for carrying out this transfer; not because we wish to alter or retract our previous offer, but simply as an alternative which we, on behalf of the Company, and subject to the approval of our proprietors, should be ready to accept.

The territory, with its mining rights, affected by such transfer, has been sufficiently defined in the former correspondence, but it may be roughly described as follows:—

On the west bounded by British Columbia.

On the north by the Northern Saskatchewan down to Lake Winnipeg.

On the east by a line from the mouth of the Saskatchewan to the point where the Winnipeg river enters that lake; and thence, by a parallel of latitude due east, until such parallel cuts Canadian territory by intersecting the watershed between the basin of the Lakes and the St. Lawrence on the one hand, and that of Hudson's Bay on the other.

On the south by the United States boundary, or by any outlying portion of British territory not included in this Company's lands.

The conditions on which we would recommend the proprietors to cede this territory, and all mining rights and rights of property or Government within it, are the following:—

1. That the Company be paid 1,000,000 *l.* sterling.
2. That the Government of British North America acknowledge the Company's right to trade, without exclusive privileges of any kind, within the territory.
3. That the Company should hold in fee simple all their posts now occupied, with a reasonable area round each post. All previous sales and bargains at Red River, made by them, shall be confirmed.
4. That the Government of British North America shall impose no exceptional taxes on the Company, its property, or its servants.
5. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon between Mr. Vankoughnet and Mr. Hopkins.
6. That the Company shall be bound to hand over to the Government of British North America all the materials for the construction of the telegraph, on payment of the cost-price and expenses already incurred.

You will understand, sir, that the proposal contained in this letter is not to be construed as any withdrawal or modification of that previously made, but that it is laid before the Secretary of State simply as a possible alternative.

The committee are of opinion that in the event of the transfer of the territory to any Colonial Government, such transfer ought to be effected, and the conditions stipulated, with the Company, ought to be embodied in an English Act of Parliament.

Before closing this letter it is right that I should state, for the information of the Right Honourable the Secretary of State, that Dr. Rae has returned to England, having traversed the whole district, from Red River over the pass leading to Tête Janne Cêche, and thence down the Fraser to New Westminster. Every assistance was given him in British Columbia, and he reports that it is perfectly easy to construct across this country a line of telegraph, as well as a road sufficient for the carriage of the mails. Telegraphic wire and insulators in sufficient quantities are already at York Factory on the Mississippi, or on the voyage to Victoria, so that all the materials will be in the spring on the spots where they are required, and the Company will await with anxiety the decision of Her Majesty's Government as to the offers now in the hands of the Secretary of State.

Sir F. Rogers, Bart.,
&c. &c. &c.

I have, &c.
(signed) *Edmund Head*,
Governor.

Appendix.

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Honourable Sir
E. Head, Bart., K.C.B.

Sir,

Downing-street, 23 January 1867.

At a recent interview between Sir C. Lampson and yourself on the one side, and Lord Carnarvon on the other, respecting the position of the Hudson's Bay Company, some doubt appeared to exist respecting the exact state of the inchoate or intended negotiation for the transfer of certain of the rights claimed by the Company to Her Majesty's Government of the Province of Canada.

With the view of explaining the present position of the Canadian Government, I am directed by Lord Carnarvon to enclose extracts from a Minute of the Executive Council of Canada, dated the 22nd of June 1866, from which you will perceive, that while the question of confederation is pending the Canadian Government consider themselves incompetent to initiate negotiations, and bound to reserve them for the Confederate Government and Legislature.

It is, of course, for the Hudson's Bay Company to consider for themselves what course is most proper and conducive to their own interests. But it appears to Lord Carnarvon that any effective negotiation, being for the moment impossible, it is for the interest of both parties that the question should remain open for arrangement so soon as an authority exists capable of dealing with it on the part of the Colony or Colonies interested. He would, therefore, regret to learn that the Company contemplated any immediate action which was calculated to embarrass the negotiations which would then become possible, and which, in the opinion of the Executive Council, it would be the duty of the Confederate Government to open.

The Right Hon. Sir E. Head, Bart.
&c. &c. &c.

I am, &c.
(signed) *T. Frederick Elliot.*

(Enclosure.)

EXTRACT of a REPORT of a Committee of the Honourable the Executive Council, approved by His Excellency the Governor General in Council, on the 22nd day of June 1866.

* * * * *

"Impressed with this conviction Canada would, ere this, have opened negotiations with the Hudson's Bay Company for the extinction of their claims, had it not been for the prospect of her speedy absorption in the proposed union of the British North American Colonies, it would obviously have been improper for the Canadian Government to commence negotiations which they could not hope to complete, or to enter into engagements, the fulfilment of which must fall on the whole Confederated provinces.

* * * * *

"Recent events serve to show that in a few months that union will be effected, and the Committee will have no doubt that the Confederate Government and Legislature will feel it to be one of their first duties to open negotiations with the Hudson's Bay Company for the transfer of their claims to the Territory. Meanwhile Canada invites the aid of Her Majesty's Government in discountenancing and preventing any such sales of any portion of the Territory as is now applied for."

CANADA (RUPERT'S LAND).

COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the Government of the Canadian Dominion, and the Hudson's Bay Company, relating to the Surrender of RUPERT'S LAND by the Hudson's Bay Company, and for the Admission thereof into the Dominion of *Canada*.

(*Mr. Monk.*)

*Ordered, by The House of Commons, to be Printed,
11 August 1869.*

[*Price 10 d.*]

440.

Under 16 oz.

CANADIAN RAILWAYS.

STATEMENT AND ACCOUNT

OF

PROCEEDINGS UNDER THE CANADA RAILWAY LOAN ACT.

Treasury Chambers, }
19 July 1869. }

ACTON S. AYRTON.

— No. 1. —

Sir *F. Rogers* to the Secretary to the Treasury.

Sir,

Downing-street, 5 February 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you a copy of a Despatch from the Governor General of Canada, accompanied by an Act of the Canadian Legislature, passed for the purpose of carrying into effect the requirements of the Imperial Act of last year, entitled, "The Canadian Railway Loan Act, 1867."

Their Lordships' attention will probably be drawn to the 32nd section, which provides for the raising of a supplemental loan of 1,000,000 *l.* without Imperial guarantee, if such additional expenditure should be necessary for the completion of the works.

His Grace has no data before him, further than were supplied at the time of the introduction of the Imperial Act, on which to found an estimate of the probable sum required to ensure the completion of the railway, but he desires me to state that he entertains considerable doubt whether the additional sum contemplated by the present Act will be sufficient for the purpose.

The 7th article of section 3 of the Imperial Act was especially inserted to meet the uncertainty of estimate, and as it is impossible to say that lines may not be selected which would inevitably exhaust the additional sum of 1,000,000 *l.*, his Grace thinks that as a security for the completion of the railway, the extra loan to be raised by Canada should not be fixed at a lower amount than 2,000,000 *l.*

I am, &c.

(signed) *Frederic Rogers.*

The Secretary to the
Treasury.

Enclosures in No. 1.

(No. 7.)

Lord *Monck* to the Duke of *Buckingham and Chandos*.

My Lord Duke,

Government House, Ottawa, Canada,
7 January 1868.

I HAVE the honour to transmit three copies of a Report to me from the Minister of Justice and Attorney General, on the Act passed in the present Session of the Parliament of the Dominion of Canada, for the purpose of carrying into effect the requirements of the Imperial Statute, intituled, "The Canada Railway Loan Act, 1867."

I also transmit three copies of the Provincial Act referred to.

Your Grace will observe that the object of the Canadian Government is to obtain as soon as possible the opinion of Her Majesty's Government, as to whether the Act passed by the Canadian Parliament fulfils the requirements of the Imperial Statute, in order

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that

No. 7.
7 Jan. 1868.

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3.

3.

STATEMENT OF PROCEEDINGS UNDER THE

that no unnecessary delay may occur in commencing the construction of the Intercolonial railway.

I shall feel much obliged if your Grace will inform me as soon as convenient, whether, in the opinion of Her Majesty's Government, this Act is a satisfactory fulfilment of the conditions imposed as the basis for granting the Imperial guarantee by the "Canada Railway Loan Act, 1867."

His Grace
The Duke of Buckingham and Chandos,
&c. &c. &c.

I have, &c.
(signed) *Monck.*

The Minister of Justice to Lord *Monck.*

THE undersigned has the honour to submit for your Excellency's consideration, the expediency of transmitting at an early day to the Secretary of State for the Colonies, a copy of the Act of the Canadian Parliament, authorising the construction of the Intercolonial railway, which was passed on the 21st December last, and an official copy of which I beg leave to send you herewith.

This Act has been framed with the view of fulfilling the requirements of the Imperial Act, known as "The Canada Railway Loan Act, 1867." It provides for the construction of the railway, and appropriates four millions sterling for the purpose, and by the 26th clause it provides for the use of the railway, at all times, for Her Majesty's military and other service.

It will be observed also that the conditions of the 3rd section of the Railway Loan Act are fulfilled by the 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, and 34th clauses of the Canadian Statute.

As it is of great consequence that this work should be proceeded with without delay, it is important that the approval of Her Majesty's Government should be obtained with all convenient speed.

The Canadian Parliament will re-assemble on the 12th March, and it is exceedingly desirable that it should be informed that the Act in question has been approved of, or that some further legislation is necessary.

The undersigned assumes that the measure will be considered satisfactory, and in such case the only thing remaining to be done before the granting of the guarantee and the commencement of the work, is to obtain the approval of the Secretary of State for the Colonies, to the line in which the railway is to be constructed.

The Canadian Government expect to be able to transmit for the consideration of his Grace the Secretary of State for the Colonies, before the work can be commenced in the spring, a report of their decision as to the plan of the line of railway, together with the estimates of the cost of construction, which it is hoped will meet with his approbation.

The undersigned trusts, however, that his Grace will not wait the reception of such report before obtaining the decision of Her Majesty's Government, whether the Canadian Act is in other respects satisfactory.

Ottawa, 6 January 1868.

(signed) *John A. Macdonald.*

ANNO TRICESIMO-PRIMO VICTORIÆ REGINÆ.

CAP. XIII.

AN ACT respecting the construction of "THE INTERCOLONIAL RAILWAY."

Assented to 21 December 1867.

Preamble.

WHEREAS the provinces of Canada, Nova Scotia, and New Brunswick joined in a declaration that the construction of the Intercolonial Railway is essential to the consolidation of the Union of British North America, and to the assent thereto of Nova Scotia and New Brunswick; and consequently agreed that provision should be made for its immediate construction by the Government of the Dominion of Canada; and whereas, in order to give effect to that agreement, it was declared by the 145th section of the Imperial Act, known as "The British North America Act, 1867," that it should be the duty of the Government and Parliament of Canada to provide for the commencement, within six months after the Union, of a railway connecting the River St. Lawrence with the city of Halifax in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed; and whereas the Imperial Act known as "The Canada Railway Loan Act, 1867," authorises the guarantee by the Imperial Government of the interest on a loan to be raised by Canada towards the construction of the Intercolonial Railway, connecting the Port of Rivière du Loup, in the province of Quebec, with the line of railway leading from the city of Halifax, in the province

CANADA RAILWAY LOAN ACT.

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province of Nova Scotia, at or near the town of Truro, on certain conditions therein mentioned: Therefore, in fulfilment of the duty imposed on the Government and Parliament of Canada as aforesaid; and in order to the raising of the said loan, so to be guaranteed as aforesaid, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. There shall be a railway constructed, connecting the port of Rivière du Loup before mentioned, with the line of railway leading from the said city of Halifax, at or near the said town of Truro, and such railway shall be styled and known as "The Intercolonial Railway." Termini of Railway.
Its name.
2. The said railway shall be a public work belonging to the Dominion of Canada; and shall be made with a gauge of 5 feet 6 inches, and on such grades, in such places, in such manner, with such materials and on such specifications as the Governor in Council shall determine and appoint as best adapted to the general interests of the dominion. To be a public work.
3. The construction of the railway and its management until completed shall be under the charge of four Commissioners, to be appointed by the Governor, who shall hold office during pleasure. How constructed and managed.
4. The Governor shall and may appoint a chief engineer, to hold office during pleasure, who, under the instructions he may receive from the Commissioners, shall have the general superintendence of the works to be constructed under this Act. Appointment of chief engineer.
5. The Commissioners shall and may appoint and employ a secretary, such engineers (under the chief engineer), and such surveyors and other officers, and also such agents, servants and workmen, as in their discretion they may deem necessary and proper for the execution of the powers and duties vested in the said Commissioners by virtue of this Act. Appointment of other officers, &c.
6. The Commissioners shall have full power and authority by themselves, their engineers, agents, workmen, servants, contractors and the servants and workmen of such contractors:—
 1. To explore and survey the country lying between Rivière du Loup and Truro; To explore.
 2. And for that purpose to enter into and upon any public lands or the lands of any corporation or person whatsoever; To enter on lands.
 3. To make surveys, examinations or other arrangements on such lands necessary for fixing the site of the railway, and to set out and ascertain such parts of the lands as shall be necessary and proper for the railway; To fix the site of road.
 4. And to fell or remove any trees standing in any woods, lands or forests where the railway shall pass, to the distance of four rods from either side thereof. To fell timber.
7. The Commissioners are further authorised to enter upon and take possession of any lands required for the purposes of the railway, and they shall lay off the same by metes and bounds, and deposit of record a description and plan thereof in the office for the registry of deeds for the county or registration division in which the lands are situate, and such deposit shall operate as a dedication to the public of such lands, which shall be thereupon vested in the Crown. To take possession of lands.
8. The Commissioners or contractors may enter with workmen, carts, carriages, and horses, upon any lands, and deposit thereon soil, earth, gravel, trees, bushes, logs, poles, brushwood or other material found on the line of railway or works connected therewith, or for the purpose of digging up, quarrying and carrying away earth, stones, gravel, or other material, and cutting down and carrying away trees, bushes, logs, poles and brushwood therefrom for the making and preparing of such railway. May use adjacent lands.
9. It shall be lawful for the Commissioners to make or construct in, upon, across, under or over any land, streets, hills, valleys, roads, railways or tramroads, canals, rivers, brooks, streams, lakes or other waters, such temporary or permanent inclined planes, embankments, cuttings, aqueducts, bridges, roads, ways, passages, conduits, drains, piers, arches or other works as they may think proper. May make all necessary works.
10. They may alter the course of any river, canal, brook, stream or watercourse, and may divert or alter as well temporarily as permanently the course of any such rivers, streams of water, roads, streets or ways, or raise or sink the level of the same, in order to carry them over or under, on the level of, or by the side of, the railway, as they may think proper. May alter the courses of rivers.
11. They shall have power to make conduits or drains into, through or under any lands adjoining the railway, for the purpose of conveying water from or to the railway. May drain into adjacent lands.
12. The Commissioners shall have all such other powers (not inconsistent with this Act) as may be conferred upon railway companies by any Act which may be passed for the consolidation and regulation of the general clauses relating to railways. And enjoy powers conferred by any General Railway Act.
13. The Commissioners may contract and agree with all persons, corporations, guardians, tutors, curators and trustees whatsoever, not only for themselves, their heirs, successors Powers of Commissioners with respect to purchase of lands.

STATEMENT OF PROCEEDINGS UNDER THE

cessors and assigns, but also for and on the behalf of those whom they represent, whether infants, absentees, lunatics, married women, or other persons otherwise incapable of contracting, for the purchase of any land or other property necessary for the construction, maintenance and use of the railway, at such prices as may be agreed upon; and may also contract and agree with all such persons and corporations on the amount of compensation to be paid for any damages sustained by them by reason of anything done under and by authority of this Act.

In case of difference as to value of lands.

14. Whenever the Commissioners and any such party or corporation fail to agree as to such value or compensation as aforesaid, the claim for the same shall, on the request of the claimant, be referred to the award of the official arbitrators to be appointed according to the provisions of any Act that may be passed respecting the public works of Canada, and the same proceedings shall be had before the said arbitrators as if the claim were one made under that Act.

Arbitrators to consider increased value given to property.

15. The arbitrators in deciding on such value or compensation are authorised and required to take into consideration the increased value that would be given to any lands or grounds through or over which the railway will pass, by reason of the passage of the railway through or over the same, and to set off the increased value that will attach to the said lands or grounds against the inconvenience, loss or damage that might be suffered or sustained by reason of Commissioners taking possession or using the said lands or grounds as aforesaid.

Duties of Commissioners with respect to tenders and contracts.

16. The Commissioners shall build such railway by tender and contract after the plans and specifications therefor shall have been duly advertised, and they shall accept the tenders of such contractors as shall appear to them to be possessed of sufficient skill, experience and resources, to carry on the work or such portions thereof as they may contract for; provided always that the Commissioners shall not be obliged to accept the lowest tender, in case they should deem it for the public interest not to do so; provided also that no contract under this section involving an expense of ten thousand dollars or upwards shall be concluded by the Commissioners until sanctioned by the Governor in Council.

Securities for fulfilment of contract.

17. The contracts to be so entered into shall be guarded by such securities, and contain such provisions for retaining a proportion of the contract monies, to be held as a reserve fund, for such periods of time, and on such conditions, as may appear to be necessary for the protection of the public, and for securing the due performance of the contract.

Chief engineer to certify to work done before payment.

18. No money shall be paid to any contractor until the chief engineer shall have certified that the work, for or on account of which the same shall be claimed, has been duly executed, nor until such certificate shall have been approved of by the Commissioners.

Disqualification of Members of Parliament as officers or contractors.

19. No Member of Parliament shall hold, or be appointed to any office of emolument under the Commissioners, or be a contractor or party to any contract with the Commissioners for the construction of the railway or any part thereof.

Inspection of contracts, &c. by Governor.

20. The Governor, or any person or persons appointed by him, shall have power to inspect all contracts and proceedings of the Commissioners, and to examine their accounts at all times.

Salaries.

21. The Governor in Council shall, in the first instance, fix the rate of salary or compensation for the Commissioners and the chief engineer, and shall approve of all other salaries to be awarded by the Commissioners, subject in all cases to the revision and confirmation of Parliament at its first Session thereafter.

Suspension of works.

22. The Governor in Council shall have the power, at any time, to suspend the progress of the work until the then next Session of Parliament.

Provision for meeting expenditure.

23. The Commissioners shall from time to time be paid, on their requisition by the Receiver General, all monies that may be required for the purposes of this Act, in such manner, at such times, and in such sums as may, from time to time, be ordered by the Governor in Council.

Quarterly accounts.

24. The Commissioners shall furnish quarterly accounts (or oftener, if required by the Governor in Council) to the Receiver General, of all expenditure and liabilities under this Act.

Working of completed portions.

25. Whenever the railway, or any portion thereof, shall be completed, it shall be lawful for the Governor in Council to make suitable arrangements for the working of the same; but such arrangements shall not be for any longer period than the end of the Session of Parliament next after the making of the same.

Carriage of naval and military forces.

26. Her Majesty's naval or military forces, and all artillery, ammunition, baggage, provisions, or other stores for their use, and all officers and others travelling on Her Majesty's naval, military, or other service, and their baggage and stores, shall at all times, when thereunto required by one of Her Majesty's Principal Secretaries of State, or by the Commander of Her Majesty's forces in Canada, or by the chief naval officer on the North American station, be carried on the railway on such terms and conditions, and under such regulations as the Governor in Council shall from time to time make, or as shall be agreed upon between the Government of Canada, and one of Her Majesty's Principal Secretaries of State.

27. For

CANADA RAILWAY LOAN ACT.

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27. For the purpose of constructing the said railway there shall be raised by loan and appropriated, a sum not exceeding 3,000,000 *l.* sterling, bearing interest at a rate not exceeding 4 per centum per annum, upon the guarantee of the payment of the interest of such loan by the Commissioners of Her Majesty's Treasury, under the provisions of "The Canada Railway Loan Act, 1867."

Loan (with Imperial guarantee) for construction of road.

28. The Consolidated Revenue Fund of Canada shall be, and is, hereby charged with the principal and interest of the loan, immediately after the charges specifically made thereon by sections 103, 104, and 105 of "The British North America Act, 1867."

Consolidated Revenue Fund charged.

29. A sinking fund is hereby provided for the payment by the Government of Canada of an annual sum at the rate of 1 per centum per annum on the entire amount of principal money whereon interest is guaranteed, which shall be remitted the Commissioners of Her Majesty's Treasury, by equal half-yearly payments, in such manner as they may from time to time direct, and shall be invested and accumulated under their direction in the name of four trustees, nominated from time to time, two by the Commissioners of Her Majesty's Treasury and two by the Government of Canada; and such sinking fund and its accumulations shall be invested in securities of the Provinces of Canada, Nova Scotia, and New Brunswick, issued before the union of Canada, or at the option of the Government of Canada, in such other securities as may be proposed by that Government, and approved by the Commissioners of Her Majesty's Treasury, and shall be applied under the direction of the Commissioners of Her Majesty's Treasury in discharge of the principal money whereon interest is guaranteed; and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the amount of the said sinking fund immediately after the principal and interest of the loan.

Sinking fund provided for.

Its investment.

Its application.

30. The Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with any sum issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," with interest thereon, at the rate of 5 per centum per annum, immediately after the sinking fund.

Charge on Consolidated Revenue Fund.

31. The sinking fund shall be continued until all principal and interest of the loan, and all sums issued out of the Consolidated Fund of the United Kingdom, under "The Canada Railway Loan Act, 1867," and all interest thereon are fully discharged, or until the sinking fund and its accumulations are adequate to discharge so much thereof as remains undischarged.

Continuance of sinking fund.

32. The Government of Canada is hereby empowered to raise, by loan, for the completion of the railway, a further sum not exceeding 1,000,000 *l.* sterling (without guarantee by the Commissioners of Her Majesty's Treasury), and the Consolidated Revenue Fund of Canada shall be, and the same is, hereby charged with the money so raised and interest, immediately after the charges made thereon in pursuance of the five next preceding sections of this Act.

Loan (without Imperial guarantee).

33. For the purpose of effecting the loan, the interest of which is to be guaranteed in manner hereinbefore mentioned, it shall be lawful for the Governor to authorise debentures to the amount of 3,000,000 *l.* sterling, to be issued in such form, and payable at such period, and for such sums, and at such rate of interest, as shall be most convenient, and as shall be in accordance with the terms of "The Canada Railway Loan Act, 1867."

Effecting of guaranteed loan by issue of debentures.

34. For the purpose of effecting the loan of 1,000,000 *l.* sterling, mentioned in the 32nd section of this Act, or any part thereof, it shall be lawful for the Governor in Council to authorise the issue of debentures either in currency or sterling money, in such form, bearing such rate of interest, not exceeding 6 per centum per annum, in such sums and payable at such periods as may be most convenient; or it shall be lawful for the Governor in Council to issue permanent Canadian Stock, or Terminable Annuities, or Exchequer Bills, or securities in any other form that may be most convenient, and as shall be in accordance with "The Canada Railway Loan Act, 1867."

Effecting of loan secondly mentioned.

35. Separate accounts of the monies raised under this Act shall be kept by the Receiver General, and all sums required for the carrying out of this Act shall be paid out of such monies, and not out of any other fund, except that the Governor in Council may authorise the advance, out of the Consolidated Revenue Fund, of such sums as it may be necessary to expend for the purposes aforesaid, before the said loans can be raised, such sums to be repaid to the Consolidated Revenue Fund out of the loans.

Accounts.
Advances and their repayment.

— No. 2. —

The Secretary to the Treasury to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 13 February 1868.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to state, for the information of the Duke of Buckingham and Chandos, that my Lords approve generally of the Act of the Canadian Legislature, 31 Vict. c. 13, for the

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construction

construction of the Intercolonial Railway, which was submitted in your letter of the 5th instant.

My Lords, however, concur with his Grace in opinion, that it would be desirable that the sum to be raised by the dominion without Imperial guarantee, should not be less than 2,000,000 *l.*; and they suggest that before approval of the Act is given, a communication to that effect should be made to the Governor General.

I am &c.

The Under Secretary for the Colonies, (signed) *George Ward Hunt.*
&c. &c. &c.

— No. 3. —

The Under Secretary for the Colonies to the Secretary to the Treasury.

Sir,

Downing street, 16 May 1868.

I AM directed by the Duke of Buckingham and Chandos to refer to the letter from this Department, dated the 5th of February last, and to your answer of the 13th of February, relative to the Act of the Canadian Legislature, 31 Vict. c. 13, respecting the construction of the Intercolonial Railway. In addition to the sum of 3,000,000 *l.* sterling, for which a guarantee loan is proposed to be raised in England, that Act provides for raising, if necessary, an additional million without guarantee, in order to complete the railway.

Their Lordships agreed with the Duke of Buckingham and Chandos that the provision of this additional amount was less than it might be prudent to require, especially in the uncertainty what line might be selected.

But his Grace has since understood it to be probable that the route by the Bay of Chaleur will be selected, which is the one that would best suit Imperial purposes

Major Robinson, of the Royal Engineers, made a report in 1848 for the Imperial Government, in which he estimated the length of the entire road from Halifax to Quebec at 635 miles, and the cost, including 10 per cent. for contingencies, at 4,889,500 *l.* This gives a cost of 7,700 *l.* per mile. The road has since been constructed from Halifax to Thuro, and from Quebec to Rivière du Loup, a distance taken in Major Robinson's estimate at 165 miles, so that, according to that estimate, 470 miles remain to be constructed. At the above rate per mile, this would cost 3,619,000 *l.*, much less than the total sum of 4,000,000 *l.* sterling.

Mr. Sandford Fleming was a civil engineer, appointed in 1863, with the joint opinions in his favour of the three Provincial Governments, and of the Duke of Newcastle, who was then Secretary of State. He bears a high reputation for accuracy and caution. Mr. Fleming thought that, allowing for curvature, the distance might exceed Major Robinson's estimate, and he expressed a general opinion that, although the actual result might prove more favourable, the total cost should be taken in round numbers at twenty million (20,000,000) dollars.

But then Mr. Fleming caused a thorough survey to be made of a portion of the line, 70 miles in length, described by Major Robinson as the "most formidable" part of the whole, and the result confirmed Major Robinson's account of the distance, whilst the cost was estimated by Mr. Fleming at \$ 39,786, or about 8,290 *l.* per mile. If this rate of cost, calculated on one of the most difficult portions of the line, be extended to the whole, the required distance of 470 miles would not cost more than 3,896,300 *l.*

Reviewing the circumstances, the Duke of Buckingham and Chandos would be prepared, if the Lords Commissioners of the Treasury concur, to instruct the Governor General that in case the line by the Bay of Chaleur be adopted, Her Majesty's Government will be willing to accept the provision of 1,000,000 *l.* sterling made in the Act already passed by the Canadian Parliament.

I am, &c.

The Secretary to the Treasury. (signed) *C. B. Adderley.*

CANADA RAILWAY LOAN ACT.

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— No. 4. —

Mr. *G. A. Hamilton* to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 22 May 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 16th instant, stating that the Duke of Buckingham and Chandos has had under his consideration the estimates for the Canadian Intercolonial Railway; and that upon a review of the circumstances, his Grace is disposed to consider that, if the route by the Bay of Chaleur is adopted, the provision of 1,000,000 *l.* already made in the Act passed by the Canadian Legislature, will be sufficient, in addition to the 3,000,000 *l.* guaranteed by Her Majesty's Government, and requesting the concurrence of my Lords in this view.

My Lords request that you will inform his Grace that, under the circumstances represented, they are not prepared to refuse their assent to the proposal of the Secretary of State.

The Under Secretary for the Colonies, I am, &c.
(signed) *Geo. A. Hamilton.*
&c. &c. &c.

— No. 5. —

Sir *F. Rogers* to the Secretary to the Treasury.

Sir,

Downing-street, 1 July 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the information of the Lords Commissioners of the Treasury, the enclosed copy of a Despatch from the Governor General of Canada, reporting the appointment on behalf of the Government of the dominion, of Messrs. Baring and Glyn, as trustees of the sinking fund of the Intercolonial Railway Loan, under the provisions of the Imperial Act of Parliament, cap. 16 of 30 Victoria.

I am desired to request that you will move their Lordships to name two trustees to be associated with the two who have been appointed by the Government of Canada.

The Secretary to the Treasury. I am, &c.
(signed) *Frederic Rogers.*

Enclosure in No. 5.

(No. 95.)

Viscount *Monck* to the Duke of *Buckingham*.

My Lord Duke,

Government House, Ottawa, Canada,
1 June 1868.

I HAVE the honour to transmit, for your Grace's information, an approved Minute of the Privy Council of this dominion appointing Messrs. Baring and Glyn trustees, on the part of the Government of Canada, of the sinking fund for the extinction of the loan to be raised for the construction of the Intercolonial Railway, under the provisions of "The Canada Railway Loan Act, 1867."

His Grace the Duke of Buckingham and Chandos, I have, &c.
&c. &c. &c. (signed) *Monck.*

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st June 1868.

ON a memorandum, dated 1st June 1868, from the honourable the Minister of Justice and Attorney General, recommending, in the absence of the honourable the Minister of Finance,
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No. 95.
1 June 1868.

1 June 1868.

Finance, that Thomas Baring, Esq., merchant, and George Carr Glyn, Esq., banker, of London, England, be appointed trustees for the Government of Canada, under the provisions of the Act of the Imperial Parliament, 30 Vict. c. 16.

The committee submit the above recommendation for your Excellency's approval.

Certified,
(signed) *Wm. H. Lee*, Clerk, P. C.

— No. 6. —

The Honourable *J. Rose* to the Chancellor of the Exchequer.

Fleming's Hotel, Clarges-street, W.,
London, 11 July 1868.

Sir,

I HAVE the honour to transmit herewith certain documents on the subject of the proposed loan for the construction of the Intercolonial Railway, to be guaranteed by the Commissioners of Her Majesty's Treasury, under the authority of "The Canada Railway Loan Act, 1867."

The terms of the Act of the Canadian Parliament, as well as the proposed line of railway, having been approved by Her Majesty's Government, it now only remains for the Commissioners of Her Majesty's Treasury to convey their sanction to the conditions of the loan, as detailed in Enclosures A. and B., and to approve of the form in which it is suggested the guarantee of Her Majesty's Government may be evidenced.

I have prepared, for facility of reference, a brief statement (Enclosure, No. 1) of the several Acts of Parliament, and of the communications which have taken place on this subject, to which I would very respectfully call your attention.

I shall be happy to give any further information which may be desired, and, as my public duties require my return to Canada as speedily as possible, I trust I may be pardoned if I express the hope that I may be favoured with an early communication of the views of Her Majesty's Government on the subject of the enclosed.

To the Right Hon. G. Ward Hunt, M.P.,
Chancellor of the Exchequer,
&c. &c.

I have, &c.
(signed) *John Rose*,
Minister of Finance.

Enclosure in No. 6.

(No. 1.)

CANADA INTERCOLONIAL RAILWAY LOAN.

30 & 31 Vict. c. 16.

THE Canada Railway Loan Act authorised the Commissioners of Her Majesty's Treasury to guarantee, in such manner and form as they think fit, payment of interest not exceeding four per cent. on any principal sum not exceeding three millions sterling, to be raised by the Government of Canada for the purpose of constructing the Intercolonial Railway, on condition that Canada should pass an Act providing—

1st. For the construction of the railway; for its use by Her Majesty's troops; and provided the line should be approved of by a Secretary of State.

2nd. That the Canadian Act should provide, to the satisfaction of the Commissioners of the Treasury, for the raising and expenditure by Canada of the three millions on the railway; for creating a sinking fund, and for making the loan and the sinking fund charges on the revenue of Canada; for the appointment of trustees to manage the sinking fund; and lastly, for raising, on the sole credit of Canada, such further sum beyond the three millions as might be necessary to complete the line.

The Canada Act has complied with all these conditions, and authorised the raising of one million sterling beyond the three millions guaranteed by the Imperial Government, and has been approved of by Her Majesty's Principal Secretary of State for the Colonies.

The line has also been approved of by the Colonial Secretary, and Thomas Baring, Esq., and George Carr Glyn, Esq., have been named trustees by Canada for the management of the sinking fund.

The Canada Act provides that the work shall be performed and the money expended by a commission, named by the Canadian Government, and it is intended that operations shall be prosecuted by them as rapidly as possible.

Canada

31 Vict. c. 13.
Despatch, July
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Canada now proposes to put a portion of the loan on the market, and, after consultation with Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in London, the terms specified in the annexed paper are suggested as those on which it should be offered to the public.

It will be perceived that it is proposed that the bonds for that portion of the loan which is guaranteed by the Imperial Government should, when issued, be countersigned on the part of Her Majesty's Government in the same form as was adopted in 1855, in the case of the Turkish Loan guaranteed by Her Majesty and the Emperor of the French.

The approbation of the Commissioners of Her Majesty's Treasury is necessary before preparing the form of bond to be issued by the Government of Canada, which is also annexed, as well as to the proposed terms of the loan and the form in which the guarantee is to be evidenced; and it will be requisite that the financial agents of the dominion, or the Minister of Finance, should receive the Commissioners' authority to grant the interim receipts embodying the undertaking for the countersignature on the part of Her Majesty's Government to the bonds when issued.

*Prospectus (A).**Paper (B).*

(A.)

DRAFT of Substance of Terms of Proposed Loan.

ISSUE of 1,500,000 *l.* Canada Bonds, bearing 4 per cent. interest, and guaranteed by the Imperial Government of Great Britain under the authority of the Act of 30 Victoria, c. 16, being one moiety of the loan authorised by that Act, and of 500,000 *l.*, 5 per Cent. Bonds of the Government of Canada, being also a moiety of the loan of 1,000,000 *l.* authorised by the Act of the Parliament of Canada, passed on the 21st of December 1867, for the construction of the intercolonial railway.

Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co. are authorised by the Minister of Finance of the dominion of Canada, to receive at the office of the former firm, No. 8, Bishopsgate-street Within, on between the hours of 11 and 12 o'clock of the day, sealed tenders for 1,500,000 *l.*, Canada 4 per Cent. Bonds guaranteed by the Imperial Government of Great Britain, and to be repaid at the end of 35 years, say on 1st October 1903, as per form of bond annexed, and 500,000 *l.*, Canada 5 per Cent. Bonds of the form and tenor also annexed, and for which a sinking fund of 1 per cent. per annum will be provided.

All these bonds will bear interest from 1st July 1868, and the dividends will be payable half-yearly on 1st April and 1st October of each year, as per Dividend Warrants.

The above-mentioned sealed tenders may be for the whole or part of 2,000,000 *l.*, in the proportion of three quarters of guaranteed bonds, and one quarter of ordinary 5 per Cent. Canada Bonds, and no tender will be admitted which does not comply with this condition.

The Minister of Finance of Canada will deliver to the partners present of Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., a sealed paper containing the minimum price at which he will sell the above-mentioned 2,000,000 *l.* bonds; and those partners will then open the tenders, and afterwards the Minister's sealed paper, and allot the bonds to the highest bidder or bidders, *pro rata*, according to the price offered.

Neither Messrs. Baring Brothers & Co., nor Messrs. Glyn, Mills, Currie, & Co. will make any tender.

Upon allotment a payment of 20 per cent. will be required, and the subsequent instalments must be paid at the office of Messrs. Baring Brothers & Co., or Messrs. Glyn, Mills, Currie, & Co., as follows: or in default the previous payments will be forfeited—

25 per cent.	-	-	-	-	-	-	13th October 1868.
25 per cent.	-	-	-	-	-	-	12th January 1869.
Balance	-	-	-	-	-	-	13th April 1869.

Payment of these instalments may be made in full on any of the above days, under discount, at the Bank of England minimum rate of discount.

Scrip receipts will be issued without delay, and bonds of 1,000 *l.*, 500 *l.*, or 100 *l.* will be delivered in exchange as soon as practicable.

(B.)

CANADA.

Form of Debenture or Bond.

UNDER the authority of an Act of Parliament of Canada passed on the 21st December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this debenture entitles the bearer on the 1st October 1903 to the sum of of lawful money of Great Britain, being part of the sum of 3,000,000 *l.* raised under the authority of the said Act, the said principal sum to be repaid in London, at the banking houses of Messrs. Baring Brothers, and of Messrs. Glyn, Mills, Currie, & Co., and to interest thereon until repayment of the principal at the rate of 4 per cent. per annum,

payable half-yearly at the banking houses of Messrs. Baring Brothers, and of Messrs. Glyn, Mills, Currie, & Co., in the City of London on presentation of the proper coupon for the same as hereunto annexed, namely, 2 per cent. on 1st April, and 2 per cent. on the 1st October in each year, the said principal sum and the interest thereon being charged on the Consolidated Revenue Fund of Canada immediately after the charges specifically made thereon, by sections 103, 104, and 105, of "the British North American Act, 1867"; and whereas under the authority of an Act of the Imperial Parliament of the United Kingdom of Great Britain and Ireland passed in the 30th year of Her Majesty's reign, chapter 16, the Commissioners of Her Majesty's Treasury are authorised to guarantee, in such manner and form as they think fit, payment of interest at a rate not exceeding 4 per cent. per annum on any principal money not exceeding 3,000,000 *l.* to be raised by way of loan by the Government of Canada for the purposes of the construction of the railway, and are further authorised to cause to be issued from time to time, out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee; and the said Commissioners of Her Majesty's Treasury having accordingly guaranteed the due payment of such interest, such guarantee is testified so far as relates to the interest on the amount of this debenture until payment thereof, by the signature hereto of the undersigned duly appointed by the warrant of the said Commissioners for such purpose.

(C.)

FORM for £. 1,000,000, without Guarantee.

UNDER the authority of an Act of the Parliament of Canada, passed on the 21st of December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this debenture entitles the bearer, 35 years after the date hereof, to the sum of lawful money of Great Britain, and to interest thereon in the meantime at the rate of 5 per cent. per annum, payable half-yearly at the banking house of _____ on presentation of the proper coupon for the same as hereunto annexed, namely, 2½ per cent. on 1st July, and 2½ per cent. on the 1st January in each year, the same being charged upon the Consolidated Revenue Fund of Canada immediately after the charges made thereon by sections 27, 28, 29, 30 and 31 of the aforesaid Act.

— No. 7. —

Mr. T. F. Elliot to Mr. G. A. Hamilton.

Sir,

Downing-street, 10 July 1868.

I AM directed by the Duke of Buckingham and Chandos to refer to Mr. Adderley's letter of the 16th of May last, on the Canadian Intercolonial Railway, and to your answer of the 22nd of May, in which it was agreed that if the Bay of Chaleur route be adopted, the provision of 1,000,000 *l.* sterling already made under the Act passed by the colonial legislature, may be accepted in addition to the sum of 3,000,000 *l.* sterling guaranteed by Her Majesty's Government.

The Duke of Buckingham and Chandos has now received a telegraphic message from the Governor General of Canada, announcing that the Bay of Chaleur line has been adopted by the Canadian Government. This is understood to be the short expression for the line surveyed on behalf of Her Majesty's Government, and reported on by Major Robinson, R.E., in 1848. I am desired to acquaint you that his Grace will be prepared to approve of that line, as soon as he receives Lord Monck's Despatch conveying the decision.

I am directed to enclose an extract of a letter from Mr. John Rose, Canadian Minister of Finance, who is now in England, urging the importance of taking steps for raising the loan at as early a date as possible; and I am desired to suggest that Mr. Rose should be enabled to enter into direct communication with the Treasury in order to arrange those matters connected with the line, on which the authority or assistance of their Lordships is required.

1 July 1868.

G. A. Hamilton, Esq.
&c. &c. &c.I am, &c.
(signed) T. Fred. Elliot.

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Enclosure in No. 7.

EXTRACT of a LETTER from Mr. *Rose* to the Duke of *Buckingham*, dated London,
1st July 1868.

"YOUR Grace is now aware of the result of the deliberations of the Canadian Government on this question, and it being important that the necessary financial arrangements should be made for the prosecution of the work with as little delay as possible, I have the honour to beg that the approval of the line may be given by your Grace as contemplated by the Imperial Act, and that the sum of money provided by the Government of Canada in excess of the 3,000,000 *l.* to be raised on the Imperial guarantee, may be held sufficient for the construction of the railway."

"I have further the honour to inform your Grace that Thomas Baring, Esq., M.P., and George Carr Glyn, Esq., M.P., have been named trustees by the Government of Canada under the 3rd Section of the Act, for the management of the sinking fund."

"On consultation with the financial agents of the dominion in London, it is thought to be extremely desirable that advantage should be taken of the present low rate of interest to place the loan, or such portion of it as the Government of Canada may think requisite, on the market at as early a day as possible, and I have accordingly to solicit the sanction of Her Majesty's Government to that proceeding."

— No. 8. —

The Secretary of State for the Colonies to the Lords Commissioners of the Treasury.

My Lords,

Downing-street, 14 July 1868.

WITH reference to the letter from this Department, dated the 16th of May, and in pursuance of the second clause of the Imperial Act of Parliament, styled "The Canada Railway Loan Act, 1867," I have the honour, as one of Her Majesty's principal Secretaries of State, to convey to you my approval of the selection as the line in which the railway is to be constructed of the line passing by the Bay of Chaleur, explored by Major Robinson of the Royal Engineers, and recommended in his Report dated the 31st of August 1848, presented to both Houses of Parliament by command of Her Majesty in February 1849, the line so approved by me to be subject to such moderate deviations and modifications as may prove to be necessary or desirable in the progress of the undertaking. I append to this Despatch a copy of the Parliamentary paper containing Major Robinson's Report, authenticated by my initials, and containing a map which is also authenticated by my initials, showing the direction of the proposed line.

I have, &c.

The Lords Commissioners
of Her Majesty's Treasury.

(signed) *Buckingham and Chandos.*

— No. 9. —

Copy of TREASURY MINUTE, dated 15th July 1868.

THE Chancellor of the Exchequer lays before the Board a letter, dated 11th July 1868, which he has received from Mr. John Rose, the Canadian Minister of Finance, in which he submits a statement of the terms and conditions, under which it is proposed by the Canadian Government to raise the loan for the sum of 3,000,000 *l.* for the construction of a railway connecting Quebec and Halifax, interest on which amount at the rate of 4 per cent. was guaranteed by the Act, 30 Vict. c. 16, together with a form of bond by which the guarantee of Her Majesty's Government may be carried into effect.

The Chancellor of the Exchequer states that in consequence of this communication an interview took place between himself and Mr. Rose, who was accompanied by Mr. T. Baring, M.P., and Mr. G. Glyn, M.P., the agents of the Canadian Government, in the presence of the Secretary of State for the Colonies, the Financial Secretary to the Board, and Sir A. Spearman, and that, after full consideration,

consideration, it appears to him that the terms proposed for the several loans of 3,000,000 *l.* and 1,000,000 *l.*, to be raised under the provisions of the before-mentioned Act, are unobjectionable; and he, therefore, recommends to the Board that their guarantee should be given for the payment of interest, at the rate of 4 per cent. on the sum of 3,000,000 *l.*, in accordance with the form of bond or debenture, annexed to Mr. Rose's communication.

My Lords have before them the Act 30 Vict. c. 16. My Lords have also before them the following letters from the Colonial Office, viz.:—

5th February 1868, enclosing an Act of the Canadian Legislature (31 Vict. c. 13) respecting the construction of "The Intercolonial Railway," by which provision is made for carrying out the provisions contained in the 2nd and 3rd sections of the before-mentioned Act, 30 Vict. c. 16.

16th May 1868, stating that the Secretary of State is of opinion that in case the line of railway by the Bay of Chaleur is adopted, Her Majesty's Government should accept the provision made by the Canadian Act, 31 Vict. c. 13, of the sum of 1,000,000 *l.*, in addition to the sum of 3,000,000 *l.*, as sufficient for the purpose; and of 14th instant, conveying the approval of the Secretary of State of the selection, as the line in which the railway is to be constructed, of the line passing by the Bay of Chaleur, recommended by Major Robinson, R.E., in his Report of 31st August 1848.

My Lords have also before them the letter from the Colonial Office, of 1st instant, enclosing copy of a Despatch from the Governor General, reporting the appointment by the Canadian Government of Messrs. Baring and Glyn as trustees for the sinking fund of the loan of 3,000,000 *l.*, under the provisions of the Act, 30 Vict. c. 16.

My Lords concur in the recommendation of the Chancellor of the Exchequer, and desire that a letter be addressed to the Honourable John Rose, stating that they have no objection to offer to the terms (as per enclosed statement No. 1) on which it is proposed by the Governor of Canada to raise the sum of 3,000,000 *l.*, under the provisions of the Act 30 Vict. c. 16, and that they are prepared to guarantee the payment of interest at the rate of 4 per cent. on the said sum of 3,000,000 *l.*, in accordance with the terms of the enclosed bond or debenture.

State that my Lords have appointed the Permanent Secretary to the Board, Mr. G. A. Hamilton, to carry into effect the guarantee on behalf of the Board, and that each bond or debenture should be submitted to this Department in order that his signature may be attached thereto.

Prepare warrant accordingly, appointing Mr. Hamilton.

Acquaint Colonial Office, and state that my Lords propose to appoint Sir F. Rogers, the Permanent Secretary to the Colonial Office, and Mr. William Law the Auditor of the Civil List in this office, as trustees to the Sinking Fund on behalf of Her Majesty's Government.

— No. 10. —

COPY of Treasury Warrant, dated 20th July 1868, authorising Mr. *Hamilton* to sign Canada Intercolonial Railway Loan Bonds; and appointing Sir *F. Rogers* and Mr. *Law* Trustees of Sinking Fund.

After our hearty commendations:

WHEREAS, by an Act passed in the 30th year of Her Majesty's reign, entitled "The Canada Railway Loan Act, 1867," it was enacted, That the Commissioners of Her Majesty's Treasury may guarantee, in such manner and form as they think fit, payment of interest at the rate not exceeding 4 per cent. per annum, on any principal money not exceeding the sum of 3,000,000 *l.*, to be raised by way of loan by the Government of Canada, for the purpose of the construction of a railway connecting Quebec and Halifax; and the Commissioners of Her Majesty's Treasury may from time to time cause to be issued out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee.

And whereas an Act of the Parliament of Canada has been passed providing for the construction of the said railway, for the raising, appropriation, and expenditure of the said loan of 3,000,000 *l.*, for chargng the Consolidated Revenue Fund

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Fund of Canada with the principal and interest of the said loan, for the payment by way of Sinking Fund of an annual sum, at the rate of 1 per cent. per annum on the entire amount of principal money whereon interest is guaranteed, and for charging the same on the said Consolidated Revenue Fund, and in all other respects providing for the conditions prescribed by the Imperial Act above-mentioned.

And whereas the line in which the railway is to be constructed has been approved by Her Majesty's Secretary of State for the Colonies;

Now, we, being two of the Lords Commissioners of Her Majesty's Treasury, do authorise and empower George Alexander Hamilton, Esq., the Permanent Secretary to this Board, for us and in our name to guarantee the due payment of the interest of 4 per cent. on the said loan so contracted as aforesaid, and generally to do all acts, matters, and things, necessary for effecting such guarantee as aforesaid; so, nevertheless, that all such acts, matters, and things, shall be in all respects conformable with the provisions of the aforesaid Act.

And we do further appoint Sir Frederic Rogers, Bart., Permanent Under-Secretary of State for the Colonies, and William Law, Esq., Auditor of the Civil List and Assistant to the Secretaries to this Board, to be Trustees of the Sinking Fund of the said loan, in accordance with the provisions of the aforesaid Act.

Whitehall Treasury Chambers, this 20th day of July 1868.

G. G. Montgomery.
Henry Whitmore.

— No. 11. —

The Honourable *J. Rose* to the Secretary to the Treasury.

Sir,

London, 16 July 1868.

I HAVE the honour to acknowledge receipt of your communication of the 15th instant, informing me, by direction of the Lords Commissioners of Her Majesty's Treasury, that their Lordships have no objection to offer to the proposed mode of raising the loan for the construction of the Intercolonial Railway, and that they are prepared to guarantee interest on the sum of 3,000,000 *l.* sterling in the manner stated in your letter, and that Mr. G. A. Hamilton, the Permanent Secretary of the Board, has been appointed to sign the bonds when forwarded to the department.

Permit me, in reply, to express my grateful acknowledgments, both on my own part and on behalf of the Government of Canada, for the great courtesy and promptitude which the Chancellor of the Exchequer and the Lords Commissioners so kindly evinced in the course of their recent negotiations, and for their readiness to meet the wishes of the Government of Canada.

The bonds will be forwarded, in accordance with your instructions, to the Secretary of the Treasury as soon as they are received from Canada, through Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in England, and will be countersigned by one or other of those firms in evidence of their genuineness.

G. Sclater-Booth, Esq., M.P.

I have, &c.
(signed) *John Rose*,
Finance Minister, Canada.

— No. 12. —

Mr. *T. F. Elliot* to the Secretary to the Treasury.

Sir,

Downing-street, 17 July 1868.

I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your letter of the 16th instant, and to request that you will state to the Lords Commissioners of the Treasury that his Grace concurs with their
272. Lordships

STATEMENT OF PROCEEDINGS UNDER THE

Lordships in the selection of Sir F. Rogers and of Mr. Law to be the trustees for Her Majesty's Government of the sinking fund of the loan of 3,000,000 *l.*, to be raised for the construction of the Intercolonial Railway in Canada.

The Secretary to the Treasury. I am, &c.
(signed) *T. Fred. Elliot.*

— No. 13. —

Mr. *T. F. Elliot* to the Secretary to the Treasury.

Sir,

Downing-street, 13 October 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the consideration of the Lords Commissioners of the Treasury, the enclosed copy of a letter from Messrs. Baring and Glyn making inquiry relative to the time of making the first investment on account of the sinking fund of the Canadian Intercolonial Loan.

I am to request to be favoured with their Lordships' opinion on the proper course to be taken on this subject.

The Secretary to the Treasury. I am, &c.
(signed) *T. Fred. Elliot.*

Enclosure in No. 13.

Gentlemen,

London, 2 October 1868.

WE are informed by the Minister of Finance of Canada that you have been appointed by Her Majesty's Government to act conjointly with Mr. Thomas Baring and Mr. George C. Glyn as trustees for the sinking fund of the Canadian Intercolonial Loan, and we are requested at the same time to inquire when you think that the first investment should be made on account of this fund.

We shall be glad to learn your views on this subject, and in the meanwhile

Sir F. Rogers, Bart., William Law, Esq., We have, &c.
(signed) *Baring Brothers & Co.*
Glyn, Mills, Currie, & Co.
Trustees of the Sinking Fund
of the Canadian Intercolonial Railway Loan,
Downing-street.

— No. 14. —

Mr. *G. A. Hamilton* to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 24 October, 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 13th instant, enclosing copy of a letter from Messrs. Baring Brothers, and Glyn, Mills, Currie, & Co., making inquiry relative to the time of making the first investment on account of the sinking fund of the Canadian Intercolonial Loan. I am to state, for the information of the Secretary of State, that, as by the terms of the loan the bonds bear interest from 1st July last, and by the provisions of the third section of the Act 30 Vict. c. 16, the payments on account of sinking fund are directed to be made half-yearly, my Lords are of opinion that the first half-yearly payment should commence on 1st January 1869, at the rate of 10 *s.* per cent. on the whole of the amount raised under the provisions of the above-mentioned Act on which interest is guaranteed.

The Under Secretary for the Colonies, I am, &c.
(signed) *Geo. A. Hamilton.*
&c. &c. &c.

CANADA RAILWAY LOAN ACT.

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— No. 15. —

Sir *F. Rogers* to the Secretary to the Treasury.

Sir,

Downing-street, 17 December 1868.

I AM directed by Earl Granville to transmit to you, to be laid before the Lords Commissioners of the Treasury, with reference to former correspondence, the enclosed copy of a letter from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

I am desired to request to be informed of the answer which their Lordships would recommend should be returned to this letter.

I am, &c.

(signed) *Frederic Rogers.*

The Secretary to the Treasury

Enclosure in No. 15.

Messrs. *Baring Brothers* to Sir *F. Rogers*.

Sir,

8, Bishopsgate-street Within, London,
16 December 1868.

WE are instructed, in conjunction with Messrs. Glyn, Mills, Currie, & Co., as financial agents of Canada, to communicate with you and Mr. Law respecting the arrangements which it may be desirable to make for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

We are prepared, by instructions of the Minister of Finance, to hand over to the trustees of the sinking fund bonds of Nova Scotia, New Brunswick, or the dominion of Canada, and as you are aware all now form a direct liability of the dominion, for the value of 7,500 *l.*, the amount to be invested on the 1st January next, and we trust that this arrangement will meet the approval of the Lords Commissioners of Her Majesty's Treasury; we shall be glad to learn your views as to the arrangement to be made for the safe custody, under the joint control of the four trustees, of the securities purchased from time to time on account of the sinking fund, and for the collection and reinvestment of the dividends thereon. If you think it desirable to have any personal communication on the subject, Mr. Thomas Baring, one of the trustees appointed by Canada, will call upon you on learning when it will be convenient to you; Mr. G. C. Glyn, the other trustee, is not within reach at present.

We have, &c.

(signed) *Baring Brothers & Co.*Sir Frederic Rogers, Bart.,
&c. &c. &c.

— No. 16. —

Mr. *G. A. Hamilton* to the Under Secretary for the Colonies.

Sir,

Treasury Chambers, 29 December 1868.

THE Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 17th inst., enclosing copy of a letter from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

I am to state, for the information of Earl Granville, that my Lords have no objection to offer to the arrangements proposed by Messrs. Baring to hand over to the trustees, bonds of Nova Scotia, New Brunswick, or the dominion of Canada, to the amount of 7,500 *l.*, the amount to be invested on 1st January next.

I am to add that the bonds should be delivered into the custody of the Governor and Deputy Governor of the Bank of England, who will be instructed to open

an account in the names of the trustees; and that the trustees should give a power of attorney to the cashiers of the Bank to receive the dividends on the said bonds, and reinvest them under the directions of the trustees.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Under Secretary for the Colonies,
&c. &c. &c.

— No. 17. —

Mr. *G. A. Hamilton* to the Governor and Deputy Governor of the
Bank of England.

Gentlemen, Treasury Chambers, 29 December 1868.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, that their Lordships have received from the Colonial Office a communication from Messrs. Baring Brothers & Co., respecting the arrangements to be made for the periodical investments on account of the sinking fund of the Canadian Intercolonial Railway Loan.

Messrs. Baring Brothers propose to hand over to the trustees of the sinking fund bonds of Nova Scotia, New Brunswick, or the dominion of Canada, to the value of 7,500 *l.*, the amount to be invested on January 1st next.

Their Lordships have no objection to this arrangement, and are of opinion that the bonds should be delivered into your custody, and I am, therefore, to instruct you to open an account in the names of the trustees, who will give a power of attorney to your cashier to receive the dividends on the said bonds, and reinvest them under the direction of the trustees.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Governor and Deputy Governor
of the Bank of England.

P.S. (The account should be opened in the names of Sir Frederic Rogers, Bart., Permanent Under Secretary of State for the Colonies; William Law, Esq., Auditor of the Civil List, and assistant to the Secretaries to this Board; Thomas Baring, Esq., and George Carr Glyn, Esq., trustees on behalf of Her Majesty's Government, and of the Government of Canada).

— No. 18. —

The Chief Cashier of the Bank of England to Mr. *G. A. Hamilton.*

Sir, Bank of England, E.C., 30 December 1868.

I BEG to acknowledge the receipt of your letter of yesterday's date, and to inform you that an account has been opened in the names of the trustees of the Canadian Intercolonial Railway, viz.: Sir Frederic Rogers, Bart., Permanent Under Secretary of State for the Colonies, William Law, Esq., Auditor of the Civil List, and assistant to the Secretaries of the Treasury; Thomas Baring, Esq., and George Carr Glyn, Esq., trustees on behalf of Her Majesty's Government, and of the Government of Canada.

The Bank will be prepared to receive the securities you mention, and, under instructions from the trustees, to collect and invest the interest as it accrues.

I am, &c.
(signed) *George Forbes,*
Chief Cashier.

G. A. Hamilton, Esq.

CANADA RAILWAY LOAN ACT.

17

— No. 19. —

Mr. *G. A. Hamilton* to the Governor and Deputy Governor of the Bank of England.

Gentlemen,

Treasury Chambers, 11 January 1869.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, with reference to your letter of the 30th ultimo, in which you state that an account has been opened in the names of the trustees of the Canadian Intercolonial Railway Loan, that Messrs. Baring & Co. have informed my Lords of the payment to the Bank of England of 7,500 *l.*, as the first investment on account of the sinking fund of this loan.

I am to request, with reference to my letter of the 29th ultimo, that the necessary power of attorney may be forwarded for the signature of the trustees, in order that the necessary investments may be made in accordance with the instructions contained in that letter.

I am, &c.

The Governor and Deputy Governor
of the Bank of England.

(signed) *Geo. A. Hamilton.*

— No. 20. —

MEMORANDUM.

IN pursuance of the authority conveyed to him by Treasury Warrant, dated 20th July 1868, Mr. *G. A. Hamilton*, Permanent Secretary to the Treasury, has attached his signature, testifying the guarantee of the Lords Commissioners of Her Majesty's Treasury to the payment of interest on bonds issued by the Government of the dominion of Canada, to the extent of 1,500,000 *l.*, being one moiety of the sum of 3,000,000 *l.* authorised to be guaranteed by the said Act.

This proceeding took place on different occasions between 1st January and 31st March 1869.

CANADIAN RAILWAYS.

STATEMENT AND ACCOUNT

OF

PROCEEDINGS

UNDER THE

CANADA RAILWAY LOAN ACT.

(Presented pursuant to Act of Parliament.)

*Ordered, by The House of Commons, to be Printed,
18 June 1869.*

272.

Under 2 oz.

CANADIAN RAILWAYS.

CORRESPONDENCE

ON

INTERCOLONIAL RAILWAY LOAN.

FURTHER PAPERS RELATING TO.

Treasury Chambers, }
17 June 1869. }

ACTON S. AYRTON.

CORRESPONDENCE relative to INTERCOLONIAL RAILWAY LOAN, &c.,
laid before Parliament by command of his Excellency the Governor
General.

INDEX.

A.—Correspondence with the Secretary of State for the Colonies, and the Minister of Finance, on the subject of the Loan, and also respecting the route, and the claims of the Intercolonial Contract Company to have their contracts recognised.

B.—Correspondence with the Chancellor of the Exchequer on the subject of the conditions of the Loan, and transmitting copies of Debentures to be settled by the Treasury.

C.—Correspondence with the Financial Agents (Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., London, England), respecting the Loan, and containing lists of bids therefor.

D.—Correspondence with the Bank of Montreal, respecting the renewal of Loan in June 1868, and the terms on which they would make the deposits on account of the Intercolonial Loan, in England, available to the Government in Canada.

E.—Reports of the Minister of France to Council, dated the 14th and 27th August 1868, respecting his proceedings for the negotiation of the Intercolonial Loan, and arrangements for the sale of exchange with the Bank of Montreal, together with the Order of Council thereon.

(Intercolonial.)

My Lord Duke,

London, June 1868.

YOUR Grace will already have been apprised that the Government of Canada have had under consideration the question of determining the line of railway between Rivière du Loup and Truro, to be submitted for the approval of Her Majesty's Government, in accordance with the provisions of "The Canada Railway Loan Act, 1867."

Three lines presented themselves for discussion; the first, proceeding to and crossing over to the right or southern bank of the St. John River, at Woodstock, or Fredericton; thence continuing on the right bank of that river, by branch lines now in progress, to the town of St. John, by what is termed the Western Extension Railway; the second, in a more central direction through the Province of New Brunswick, connecting with the European and North American Road at some point between St. John and Shediac; and the third, the line surveyed by Major Robinson in the year 1848.

Your Grace is now aware of the result of the deliberation of the Canadian Government on this question, and it being important that the necessary financial arrangements should be made for the prosecution of the work with as little delay as possible, I have the honour very respectfully to beg that the approval of the line may be given by your Grace, as contemplated by the Imperial Act, and that the sum of money provided by the Government of Canada in excess of the three millions to be raised on the Imperial guarantee, may be held sufficient for the construction of the railway.

I have further the honour to inform your Grace, that Thomas Baring, Esquire, M. P., and George Carr Glyn, Esquire, M. P., have been named trustees by the Government of Canada, under the 3rd section of the Act for the management of the Sinking Fund.

272—I.

On

CORRESPONDENCE RELATIVE TO

On consultation with the financial agents of the Dominion in London, it is thought to be extremely desirable that advantage should be taken of the present low rate of interest, to place the loan, or a portion of it, on the market at as early a day as possible, and I have, accordingly, to solicit the sanction of Her Majesty's Government to that proceeding.

His Grace
The Duke of Buckingham and Chandos,
&c. &c.

I have, &c.
(signed) *John Rose*, M. F.

(Copy Memo.)

INTERCOLONIAL RAILWAY.

My Lord Duke,

ON the letter from the Nova Scotia and New Brunswick Intercolonial Railway Company, Limited, of the 9th inst., addressed to his Grace the Duke of Buckingham and Chandos, I beg to say that the only arrangements now existing for the construction of the Intercolonial Railway are to be found in the Imperial Act, 30th Vict. c. 16, and in that of the Parliament of Canada, 31st Vict. c. 13.

The previous negotiations which had, for a number of years, taken place between the several Provinces now composing the Dominion of Canada are superseded by the provisions contained in these two Acts.

The Imperial Act left to the Dominion of Canada to adopt such agency as it saw fit for the prosecution of the work, provided the requisite money provision was made; and by the Act of the Canadian Parliament it is provided that the work shall be done directly by a Commission, and not through the interposition of a Company, and shall be a public work belonging to the Dominion.

It will be the duty of the Commission to locate the road on the line approved by the Imperial Government, and they are in no way whatever bound to assume any intermediate portion of road, or to adopt any contracts which either of the Provinces may have previously made in respect of such local sections. Indeed, they are prohibited, by the terms of the Act, from concluding any contract exceeding 10,000 dollars without the sanction of the Government in Canada. It is of the first importance that the whole, from Truro to River du Loup, should be done in the most economical manner, and that the Dominion should have the advantage which payments in cash to contractor, out of the money raised on the Imperial Guarantee and on the credit of the Dominion, afford. Provisions of former contracts may be altogether too onerous, the prices excessive, the location and character of the work may be bad, the specifications insufficient. It was never contemplated that the work itself, or the commission for its execution, should be trammelled by any arrangements anterior to the two Acts of Parliament above quoted. If any contracts or engagements have been entered into by either of the Provinces anterior to the Act of Union, they will be faithfully carried out by the Dominion, if by the provisions of the Union Act they are entailed upon it. But it would be contrary to the spirit and terms of the Intercolonial Acts, both Imperial and Canadian, to tie the hands of the Commissioners appointed to carry them into effect.

The assumption of any intermediate section of work, or the adoption of any contracts, must be matter of arrangement with the Commissioners.

In conclusion, I beg to call his Grace's attention to the fact that the negotiations referred to in the letter written by direction of his Grace the Duke of Newcastle to Mr. Watkin, under date of the 19th March 1864, were never completed; and as in that letter his Grace expressly states, "That no claim is to be made on the Imperial Government under the old project" is to be carried into execution, and if the offer of 1862-63 should fall to the ground, this assurance will fall with it.

It therefore follows (wholly irrespective of the entirely new Legislative provision made in 1867), that no possible claim can be based on the terms of that communication.

His Grace
The Duke of Buckingham and Chandos,
&c. &c.

I have, &c.
(signed) *John Rose*.

Messrs. *Sheward and Webb* to the Duke of *Buckingham*.

(Copy.)

The Nova Scotia and New Brunswick (Intercolonial) Railway Company (Limited),
6, Westminster Chambers, Victoria-street, London, S.W.

My Lord Duke,

9 June 1868.

WE, the Directors of the Nova Scotia and New Brunswick (Intercolonial) Railways Company, Limited, respectfully beg to draw the attention of your Grace to the following facts:—

This Company was formed for the purpose of constructing, under concessions granted by the Nova Scotia and New Brunswick Governments, two of the most important sections of the Intercolonial Railway.

The

INTERCOLONIAL RAILWAY LOAN, &c.

3

The section in New Brunswick, which extends from a junction with the European and North American Railway, near Moncton, in New Brunswick, to a point on the Nova Scotia boundary near Amherst, is about 36 miles in length, and is now in course of construction. The contract is in the hands of Messrs. Edwin Clark, Punchard, & Co., and the works are so far advanced that a portion of the line will be open for traffic in the Autumn of the present year.

The contract for the Nova Scotia section, 74 miles in length, from Amherst to Truro, where it joins the Nova Scotia State Line to Halifax, is also let to Messrs. Clark, Punchard, & Co., and heavy responsibilities, as well as considerable outlay, have already been incurred.

Both these lines were located by the respective Governments of Nova Scotia and New Brunswick as part of the proposed Intercolonial Railway, and were to be covered by the Imperial Guarantee, as your Grace will perceive by reference to the Despatch of the late Duke of Newcastle to Mr. Watkin, M.P., dated 19th March 1864.

It was on this understanding, and on the personal assurance to that effect of the Delegates of the Nova Scotia Government, that these lines were undertaken, and the necessary capital raised for their construction.

We beg to submit these facts for the information of your Grace, in order that the rights which we possess, and the responsibility we have incurred, may be duly considered in any decision that may be taken by the Imperial Government with respect to the Intercolonial Railway.

We have, &c.
(signed) *George Sheward*,
Chairman.
(signed) *F. W. Webb*,
Secretary.

His Grace
The Duke of Buckingham and Chandos,
&c. &c.

The Under Secretary of State to Mr. *Watkin*.

(Copy.)

Sir,

Downing-street, 19th March 1864.

THE Duke of Newcastle desires me to inform you that he has received from the Lords of the Treasury a copy of your letter of the 15th of February, contemplating the construction by New Brunswick and Nova Scotia of the first link of the Intercolonial Railway between Truro and the Bend, and suggesting that the line so constructed should be held to be part of the larger scheme contemplated in the laws recently passed by those two Provinces and by the memoranda of December 1862, and January 1864, recited in those laws.

I am directed by his Grace to inform you in reply, that if the Lower Provinces shall, at their own expense, commence the construction of a railway on a line approved by Her Majesty's Government between Truro and the Bend, and if subsequently the proposed loan of 3,000,000 £. shall be raised under the Imperial Guarantee in virtue of the offer contained in the above memoranda, the railway between Truro and the Bend, and the works constructed thereupon by the Lower Provinces, shall (as far as Her Majesty's Government is concerned) be considered to form part of the railway on which the loan of 3,000,000 £. is to be expended, and that his Grace sees no reason for requiring any change in that part of the memoranda which declares that 5-12ths of the loan shall be chargeable against Canada, 3½-12ths against Nova Scotia, and 3½-12ths against New Brunswick.

The further question, what part of that sum of 3,000,000 £. should be paid over to New Brunswick and Nova Scotia in consequence of the works effected by them without the concurrence of Canada, will be mainly a question for the Provincial Governments, in which it must be understood that Her Majesty's Government is not to be involved. But the Imperial Government, before being party to any such payment in respect of this section of the railway, must have sufficient security that the whole scheme will be prosecuted with effect.

It is scarcely necessary to observe, that this assurance is given merely for the purpose of providing (as far as Her Majesty's Government is concerned) that New Brunswick and Nova Scotia shall not be prejudiced by commencing the railway in anticipation of a final arrangement (if such arrangement should ever take effect), and is not to be construed as in any way varying or keeping alive, or extending that arrangement, or as imposing on the Imperial Government any liability to assist in the construction of the shorter line now contemplated, whether by way of guarantee or otherwise, except in pursuance of the offer of December 1862 and January 1863. Therefore, no claim whatever is to be made on the Imperial Government, unless the old project is carried into execution; and if the offer of 1862-3 should fall to the ground, this assurance will, of course, fall with it. It must also be understood, that the present correspondence is not to affect the right of the Home Government to determine for itself at what period the offer of 1862-3 shall be held to be cancelled by the failure of the Canadian Government to fulfil the first of the proposed conditions, viz., that of submitting immediately to the Colonial Legislature the Bills required for carrying that offer into effect.

272—1.

I am

CORRESPONDENCE RELATIVE TO

I am to add, however, that Her Majesty's Government consider that offer as still subsisting, but would certainly cease to do so unless a definite arrangement were made, and the necessary colonial laws passed within five years of the date of the first memorandum, *i.e.*, before December 1867.

I am, &c.

E. W. Watkin, Esq.

Fleming's Hotel, Clarges-street, W.,
7 July 1868.

My Lord Duke,

I VENTURE to submit the following observations on the points adverted to by your Grace in person, as those in respect of which some explanation might with propriety be offered:—

First, touching the vagueness of the definition in speaking of the line submitted for the approval of Her Majesty's Government as the Bay of Chaleurs Line.

This term has been applied to indicate the route surveyed by Major Robinson in 1848 (and which in its general course follows the course of the Gulf of St. Lawrence), in consequence of its being used in the telegraphic message sent by your Grace to the Governor General of Canada in May last, and because a junction with the Bay of Chaleurs is incompatible with the adoption of the frontier route or any practicable central route.

I may now add, by way of supplement to my letter of the 1st inst., that the line submitted by the Canadian Government for your Grace's approval is understood to be the Robinson route, as contra-distinguished from the frontier or central route, subject of course to any such local modifications and changes in its location as more minute examination may show to be advantageous.

I would therefore presume to suggest, in approving of the line, your Grace, for the sake of greater certainty, might designate it as that following the general line of the route surveyed by Major Robinson, and indicated in his report laid before Parliament in January 1849, touching at the Bay of Chaleurs, and thence proceeding to Truro, in Nova Scotia, in such a course as may be shortest and best, and as may offer the greatest engineering advantages, touching, where practicable and consistent with these conditions, at any points in the Gulf of St. Lawrence which it may approach. The approval in such terms would seem to overcome any difficulty arising from the communication being made by telegraph, since your Grace would have thus defined with precision the line recommended in general terms by the Government of Canada.

That Government cannot, of course, proceed to construct any other line than the one approved of, and it would seem to be unimportant whether the adoption of it by the Government of Canada take place before or after the approval by Her Majesty's Government. As it is of the greatest moment that no time should be lost in making the financial arrangements, and as my public duties require my immediate return to Canada, I trust I may be pardoned if I express the hope that your Grace may find it not incompatible with your public duty to give the necessary sanction at the present time.

I transmit for the information of your Grace, the copy of a letter which Mr. Fleming, the engineer by whom the first surveys have been made, has addressed to me, showing that it is impossible that any more complete definition of the line can be given at the present time.

On the second point, relating to any supposed contracts for particular sections of the work, I desire, with the greatest respect, to repeat the objections I have already made to imposing these contracts in any way on the Commission appointed to carry out the works. These objections are, if possible, strengthened by a communication which I have received from Mr. Fleming since I addressed your Grace on the subject, and a copy of which communication I enclose for your information.

I cannot but feel assured that your Grace will consider the scope of duty devolving on Her Majesty's Government by the Act of Parliament to be limited to an approval of the general line of the route to be followed, and will leave to the commissioners for the work, the duty of determining whether or not it be in the public interest to avail themselves of any pre-existing arrangements for its partial execution.

Trusting that these explanations may be sufficiently satisfactory to enable your Grace to give the necessary reference to the Commissioners of Her Majesty's Treasury, in order that the Canadian Government may have the advantage of making their financial arrangements at the present moment, which is so favourable for that operation.

I have, &c.
(signed) John Rose.

INTERCOLONIAL RAILWAY LOAN, &c.

5

(Copy.)

The Honourable *John Rose*, Minister of Finance, Canada.No. 2, Montagu-street, Russell-square,
London, July 1868.

Sir,

I AM unable to find a copy of my letter to Sir John A. Macdonald, which you inquired for, relative to the estimated cost of the whole length of the Intercolonial Railway; I enclose, however, at your request, a copy of my Report to the Minister of Public Works, on that portion of the line between Moncton and Amherst.

In my report on the exploratory surveys of 1864, I ventured to give \$20,000,000 as the probable total cost of the Intercolonial Railway. The information which I have since acquired in the maritime provinces convinces me that this estimate is not only sufficient, but that with very good management it is quite possible to complete the main line between Truro and Rivière du Loup, and also the projected branch from Bathurst to , for the sum named.

If, however, the line be twisted and warped from the best position to serve private and local interests, it will not be possible to form any reliable estimate of what the expenditure will ultimately come to. It appears necessary that I should allude to this in expressing, at your request, an opinion as to the sufficiency of the appropriation for the construction of the railway, because at the only point where the question of location has practically arisen as yet, viz., between Moncton and Amherst, the line advocated by the local authorities, and adopted by a contracting firm, is not only less favourable in an engineering point of view, but is actually from 21 to 35 per cent. longer than the line which ought to be constructed.

I have, &c.
(signed) *Sandford Fleming.*

Mr. *Fleming* to Mr. *Rose*.

(Copy.)

INTERCOLONIAL RAILWAY.

London, 7 July 1868.

Sir,

REFERRING to our conversation this morning, allow me to remark :

It would not be possible to furnish plans and sections of the Intercolonial Railway, as it may finally be built, for a very long time. Railway surveys are very laborious operations in a wild wooded country. In England, the Ordnance surveys enable engineers very readily to define the line of a projected railway, but in a country like Canada, where no such surveys exist, the best position for the railway can only be ascertained after repeated trials and laborious surveys. After the work is commenced desirable changes and improvements in the location are frequently made in a wild country, and it would not, in my opinion, be wise to define the line so exactly that no such changes could be made.

With regard to the name of the route selected for the Intercolonial Railway, it has been designated "Major Robinson's Line," "The North Shore Line," and "Bay Chaleurs Route" (No. 15). It is, probably, best known as "Major Robinson's Line," but as the expression—*line*, might be taken to mean the exact line laid down by Major Robinson on the plans furnished by that gentleman, and which plans do not profess to be more than the results of a rough exploratory survey, and the line shown thereon as a possible railway line, it would, perhaps, be wise to define the route for the railway so as to avoid any misconceptions. I would suggest, therefore, that the route be described generally as follows :—

The shortest and best line that can be found from the existing railway at Rivière du Loup to the Bay Chaleurs by the River Matapédiac, and from the Bay Chaleurs to the existing railway at Truro, in Nova Scotia. The general designation of this intended line to be "The Bay Chaleurs Route."

On an examination of the map it will be found that a line touching the Bay Chaleurs, as above described, cannot be taken to mean a central or a frontier line, and that it is, in fact, substantially the route indicated by Major Robinson in his report laid before Parliament.

Referring to my report to the Minister of Public Works, dated 15th May last, on the location of that portion of the line between Moncton and Amherst, and also to my letter of yesterday, addressed to you on the same subject, I consider it my duty again to submit that within the limits of the route above defined, the railway should be located, as far as it is possible to do so, on that line which presents the most favourable engineering features, and subserves in the highest degree the general interests of the Dominion. If, on the contrary, other interests are too largely consulted, it will probably be discovered, when too late, that a large and useless expenditure has been incurred in constructing a railway proportionately expensive to maintain and operate.

I have, &c.
(signed) *Sandford Fleming.*

To the Honourable John Rose,
Minister of Finance, Canada.

(Copy.)

Sir,

Intercolonial, London, 7 July 1868.

I AM in receipt of your note of yesterday's date, intimating that Messrs. Clark & Punchard propose calling here to-morrow morning at 10.30.

I regret that I have engagements on that day from which I cannot escape, but if they wish to see me I shall be ready to make an appointment for a future date.

Yours, &c.

(signed) *John Rose.*

T. H. Webb, Esq.,

5, Westminster Chambers, Victoria-street, W., London.

Messrs. *Edwin Clark, Punchard & Co.*

Gentlemen,

London, 11 July 1868.

I HAVE to acknowledge your letter of yesterday's date, with the accompanying statements on the subject of certain works in the Provinces of Nova Scotia and New Brunswick.

I think it right to say, in order that misapprehension may not arise in future, that I have no authority whatever to come to any arrangements respecting these contracts, nor should I feel myself warranted in even expressing an opinion which might influence your action with reference to the subject-matter of your communication.

While it is due to you, as a matter of courtesy, that I should meet you and hear your representations, I trust you will understand that I can do no more than give respectful attention to your statements.

Yours, &c.

(signed) *John Rose.*

Sir,

Downing-street, 22 July 1868.

I AM directed by the Duke of Buckingham and Chandos to acknowledge your letters of the 1st and 7th instant, supplying information bearing on the choice of the line of railway to be constructed between Rivière du Loup and Truro, in order to complete the Intercolonial Railway.

The Duke of Buckingham and Chandos received with much satisfaction a telegraphic message from the Governor General, by which it appears that the Bay of Chaleurs Line has been selected by the Canadian Government. Her Majesty's Government readily acquiesce in this selection, as you will learn from the despatch to Viscount Monck, of which a copy is annexed.

I am, &c.

(signed) *I. G. Elliot.*

(Canada—No.—.)

The Duke of *Buckingham* to Viscount *Monck*.

My Lord,

Downing-street, 22 July 1868.

I HAVE received your Lordship's telegraphic message that the route by Bay of Chaleurs has been selected by the Canadian Government as the one to connect Truro with Rivière du Loup, and thus complete the Intercolonial Railway.

I understand three routes to have been under the consideration of the Government of Canada, namely, one crossing the St. John River, either at Woodstock or Fredericton; the second in a more central direction, through New Brunswick; and the third following the line selected by Major Robinson in 1848.

The route crossing the St. John River, either at Woodstock or Fredericton, is one to which the assent of Her Majesty's Government could not have been given. The objections on military grounds to any line on the south side of the St. John River are insuperable. One of the main advantages sought in granting an Imperial guarantee for constructing the railway would have been defeated if that line had been selected.

The remaining lines were the Central Line and that following the general course of route surveyed by Major Robinson; and Her Majesty's Government have learned, with much satisfaction, that the latter has been selected by the Canadian Government. The communication which this line affords with the Gulf of St. Lawrence at various points, and its remoteness from the American frontier, are conclusive considerations in its favour, and there can be no doubt that it is the only one which provides for the national objects involved in the undertaking.

I have, &c.

(signed) *Buckingham & Chandos.*

Governor,

The Right Honourable Viscount Monck.

&c. &c.

INTERCOLONIAL RAILWAY LOAN, &c.

7

(Intercolonial.)

Sir,

Fleming's Hotel, 11 July 1868.

I HAVE the honour to transmit herewith certain documents on the subject of the proposed loan for construction of the Intercolonial Railway, to be guaranteed by the Commissioners of Her Majesty's Treasury, under the authority of "The Canadian Railway Loan Act, 1867."

In the terms of the Act of the Canadian Parliament, as well as the proposed line of railway having been approved by Her Majesty's Government, it now only remains for the Commissioners of Her Majesty's Treasury, to convey their sanction to the conditions of the loan, as detailed in enclosures A. & B., and to approve of the form on which it is suggested the guarantee of Her Majesty's Government may be evidenced.

I have prepared for facility of reference a brief statement (Enclosure, No. 1) of the several Acts of Parliament, and of the communications which have taken place on this subject, to which I would respectfully crave your attention.

I shall be happy to give any further information which may be desired; and as my public duties require my return to Canada as speedily as possible, I trust I may be pardoned if I express the hope that I may be favoured with an early communication of the views of Her Majesty's Government on the subject of the enclosed.

The Right Hon. S. E. Hunt,
Chancellor of the Exchequer, &c. &c.

I have, &c.
(signed) John Rose.

Canada Intercolonial Railway Loan.

(Copy.)

THE Canadian Railway Loan Act authorised the Commissioners of Her Majesty's Treasury to guarantee, in such manner and form as they think fit, payment of interest, not exceeding 4 per cent. on any principal sum not exceeding 3,000,000 *l.* sterling, to be raised by the Government of Canada, for the purpose of constructing the Intercolonial Railway, on condition that Canada should pass an Act, providing:—

1st. For the construction of railway; for its use by Her Majesty's troops; and, provided the line should be approved by a Secretary of State.

2nd. That the Canadian Act should provide, to the satisfaction of the Commissioners of Her Majesty's Treasury, for the raising and expending by Canada of the 3,000,000 *l.* on the railway; for creating a sinking fund, and for making the loan and sinking fund charges in a specified order on the revenue of Canada; for the appointment of trustees to manage the sinking fund; and, lastly, for raising such further sum, on the sole credit of Canada, beyond the 3,000,000 *l.*, as might be necessary to complete the line.

The Canada Act has complied with all three conditions, and authorised the raising of 1,000,000 *l.* sterling, beyond the 3,000,000 *l.* guaranteed by the Imperial Government, and has been approved of by Her Majesty's Principal Secretary of State for the Colonies.

The line has also been approved of by the Colonial Secretary; and Thomas Baring, Esq., M.P., and George Carr Glyn, Esq., M.P., have been named trustees by Canada, for the management of the sinking fund.

The Canadian Act provides that the work shall be performed and the money expended by a commission, named by the Canadian Government; and it is intended that operations shall be prosecuted by them as rapidly as possible.

Canada now proposes to put a portion of the loan on the market, and after consultation with Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the Dominion in London, the terms specified in the annexed paper are suggested as those on which it should be offered to the public.

It will be perceived that it is proposed that the bonds for that portion of the loan which is guaranteed by the Imperial Government should, when issued, be countersigned on the part of Her Majesty's Government in the same form as was adopted in 1855 in the case of the Turkish Loan guaranteed by Her Majesty and the Emperor of the French.

The approbation of the Commissioners of Her Majesty's Treasury is necessary before preparing the form of bond to be issued by the Government of Canada, which is also annexed, as well as the proposed terms of loan, and the form in which the guarantee is to be evidenced, and it will be requisite that the financial agents of the dominion or the Minister of Finance should receive the Commissioners' authority to grant the interim receipts embodying the undertaking, for the countersignature on the part of Her Majesty's Government to the bond when issued.

(signed) John Rose.

INTERCOLONIAL LOAN.

1st. It is proposed that of the intercolonial loan of 4,000,000 *l.* sterling, the present issue shall be for two millions, three-fourths of which to be raised on the guarantee of the Imperial Government, and one-fourth on the bonds of Canada without such guarantee.

2nd. The bonds will be redeemable in 35 years; a sinking fund of 1 per cent. per annum will be provided for the redemption of the Imperial portion and the ordinary sinking fund already existing for the redemption of the consolidated debt of Canada will be applicable for the Canadian bonds.

3rd. The loan will be payable to the subscribers by the following instalments, with the liberty to anticipate the rebate of interest at the bank rate.

4. Form of bond, to be prepared for approval of Treasury, who will authorise Messrs. Baring & Co., and Messrs. Glyn, Mills, Currie, & Co., to grant interim certificates on payments made previous to completion of bonds.

5. Loan to be offered to public by tender, and minimum price to be fixed, and placed in the hands of the Governor of the Bank of England.

Issue of 1,500,000 *l.* Canada Bonds, bearing 4 per cent interest, and guaranteed by the Imperial Government of the United Kingdom, under the authority of the Act of 30 Vict., c. 16, being one moiety of the loan authorised by that Act; and of 500,000 *l.* 5 per cent. Bonds of the Government of Canada, being also a moiety of the loan of 1,000,000 *l.* authorised by the Act of the Parliament of Canada, passed on the 21st of December 1867, for the construction of the Intercolonial Railway.

Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., are authorised by the Minister of Finance of the Dominion of Canada to receive at the office of the former firm, No. 8, Bishopgate-street Within, on Thursday, the 23rd instant, between the hours of one and two o'clock of the day, sealed tenders for

1,500,000 *l.* Canada 4 per Cent Bonds, guaranteed by the Imperial Government of the United Kingdom, and to be repaid on 1st October 1903, as per form of Bond annexed.

And 500,000 *l.* Canada 5 per Cent. Bonds, of the form and tenor annexed, to be repaid also on the 1st October 1903.

All these bonds will bear interest from 1st July 1868. A dividend for three months will be paid on 1st October, and the dividends will thenceforth be payable half-yearly, on 1st April and 1st October of each year, as per coupons.

The above-mentioned sealed tenders may be for the whole or part of 2,000,000 *l.*, in the proportion of three quarters of guaranteed bonds, and one quarter of ordinary 5 per Cent. Canada Bonds; and no tender will be admitted which does not comply with this condition, namely, stating one price for the two stocks united.

The Minister of Finance of Canada will deliver to the partners present of Messrs. Baring Brothers & Co. and Messrs. Glyn, Mills, Currie, & Co., a sealed paper containing the minimum price at which he will sell the above-mentioned 2,000,000 *l.* bonds, and those partners will then open the tenders and allot the bonds to the highest bidder or bidders *pro ratâ*, according to the price offered. The sealed paper will only be opened in case the Minister of Finance declares that the whole amount has not been tendered at or above his minimum.

Neither Messrs. Baring Brothers & Co., nor Messrs. Glyn, Mills, Currie, & Co., will make any tender.

Upon allotment, a payment of 20 per cent. will be required, and the subsequent instalments must be paid at the office of Messrs. Baring Brothers & Co., or Messrs. Glyn, Mills, Currie, & Co., or, in default, the previous payments will be forfeited.

Twenty-five per cent. on the 13th of October 1868.

Twenty-five per cent. on the 12th January 1869.

And the balance on 13th April 1869.

Payment of these instalments may be made in full, on any of the above days, under discount at the then existing Bank of England minimum rate of discount.

Script receipts will be issued without delay, and bonds of 1,000 *l.*, 500 *l.*, or 100 *l.*, will be delivered in exchange as soon as practicable.

London, 18 July 1868.

(Form of Guaranteed 4 per Cent. Bond.)

CANADA.

UNDER the authority of an Act of the Parliament of Canada, passed on the 21st December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this Debenture entitles the bearer, on the 1st October 1903, to the sum of

of lawful money of Great Britain, being part of the sum of 3,000,000 *l.* raised under

INTERCOLONIAL RAILWAY LOAN, &c.

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under the authority of the said Act, the said principal sum to be paid in London, at the banking-houses of Messrs. Baring Brothers & Co., and of Messrs. Glyn, Mills, Currie, & Co., and to interest thereon, until repayment of the principal, at the rate of 4 per cent. per annum, payable half-yearly, at the banking-houses of Messrs. Baring Brothers & Co., and of Messrs. Glyn, Mills, Currie, & Co., in the City of London, on presentation of the proper coupon for the same as hereunto annexed, namely, 2 per cent on the 1st April, and 2 per cent. on the 1st October in each year; the said principal sum, and the interest thereon, being charged on the Consolidated Revenue Fund of Canada, immediately after the charges specifically made thereon by sections 103, 104, and 105 of "The British North America Act, 1867." And whereas, under the authority of an Act of the Imperial Parliament of the United Kingdom of Great Britain and Ireland, passed in the 30th year of Her Majesty's reign, chapter 16, the Commissioners of Her Majesty's Treasury are authorised to guarantee, in such manner and form as they think fit, payment of interest at a rate not exceeding 4 per cent. per annum on any principal money, not exceeding 3,000,000 £, to be raised by way of loan, by the Government of Canada, for the purpose of the construction of the railway; and are further authorised to cause to be issued from time to time out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee, and the said Commissioners of Her Majesty's Treasury having accordingly guaranteed the due payment of such interest, such guarantee is testified, so far as relates to the interest on the amount of this debenture, until payment thereof, by the signature hereto of the undersigned, duly appointed by the warrant of the said Commissioners for such purpose.

(Form of Canada 5 per Cent. Bond.)

DOMINION OF CANADA.

THE Government of Canada hereby acknowledges to be indebted to the bearer in the sum of _____ pounds sterling, being part of the sum of 1,000,000 £ sterling, to be raised in virtue of an Act of the Parliament of Canada, passed on the 21st December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," which sum the said Government undertakes to pay on the 1st October 1903, at the offices of Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., in the City of London, in England, with interest in the meantime, from the 1st July 1868, at the rate of 5 per cent. per annum, such interest being payable half-yearly, on the 1st days of October and April in each year, at the same place, on presentation of the proper coupons as hereunto annexed.

The principal and interest of the above sum are chargeable on the Consolidated Revenue Fund of Canada under the authority of the above Act, and a sum equal to 1 per cent. of such principal sum will be set apart yearly, and invested for the redemption of such portion of the aforesaid loan as may be issued.

FORM of TENDER for 1,500,000 £, Canada 4 per Cent. Bonds, guaranteed by the Imperial Government of the United Kingdom, and 500,000 £, Canada 5 per Cent. Bonds.

_____ hereby tender for a sum of £ _____ nominal capital, three-fourths in Canada 4 per Cent. Guaranteed Bonds, and one-fourth in Canada 5 per Cent. Bonds at the price of _____ per cent., and _____ engage to accept the above sum, or any portion thereof, which may be allotted to _____, and to pay the deposit thereon of 20 per cent., and the subsequent instalments as they become due, in conformity with the terms of your circular of the 18th instant.

London,

July 1868.

Name.

Address.

To Messrs. Baring Brothers & Co.

To Messrs. Glyn, Mills, Currie, & Co.

Sir,

Treasury Chambers, 15 July 1868.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to state, that the Chancellor of the Exchequer has laid before them the letter which you addressed to him on the 11th instant, on the subject of the loans to be raised by the Government of Canada, for the purpose of the construction of a railway connecting Quebec and Halifax, under the provisions of the Act 30 Vict. c. 16, together with the statement enclosed in your letter, showing the substance of the terms and conditions on which it is proposed to raise the said loans (marked A), and also the form of bond or debenture (marked B), upon which it is suggested that the guarantee of Her Majesty's Government should be given for the payment of interest at the rate of 4 per cent. on a loan of 3,000,000 £, in accordance with the provisions of the aforesaid Act.

In the reply to this Letter the following number should be quoted: 11.112.68.

272—I.

I am

CORRESPONDENCE RELATIVE TO

I am desired by my Lords to acquaint you that their Lordships have no objection to offer to the terms and conditions proposed for raising these loans in accordance with Statement A (copy of which is enclosed); and that they are prepared to guarantee interest at the rate of 4 per cent. on a loan of 3,000,000 £, in accordance with the form of bond or debenture marked B, copy of which is also enclosed.

I am further to acquaint you that my Lords have appointed Mr. G. A. Hamilton, the Permanent Secretary of this Board, to act for them and in their name, for the purpose of guaranteeing the interest on the loan of 3,000,000 £, as provided by the before-mentioned Act. And I am to add that it will be necessary that each bond or debenture should be forwarded to this department, in order that his signature may be affixed thereto.

I am, &c.
(signed) *G. Sclater-Booth.*

(A.)

ISSUE of 1,500,000 £. Canada Bonds, bearing 4 per cent. interest, and guaranteed by the Imperial Government of Great Britain, under the authority of the Act of 30 Vict. c. 16, being one moiety of the loan authorised by that Act, and of 500,000 £. 5 per Cent. Bonds of the Government of Canada, being also a moiety of the loan of 1,000,000 £. authorised by the Act of the Parliament of Canada, passed on the 21st of December 1867, for the construction of the Intercolonial Railway.

Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., are authorised by the Minister of Finance of the Dominion of Canada, to receive at the office of the former firm, No. 8, Bishopsgate-street Within, on between the hours of 11 and 12 o'clock of the day, sealed tenders for 1,500,000 £. Canada 4 per Cent. Bonds, guaranteed by the Imperial Government of Great Britain, and to be repaid at the end of 35 years, say, on 1st July 1903, as per form of bond annexed, and 500,000 £. Canada 5 per Cent. Bonds of the form and tenor also annexed, and for which a sinking fund of 1 per cent. per annum will be provided. All these bonds will bear interest from July 1868, and the dividends will be payable half-yearly, on and of each year, as per dividend warrants.

The above-mentioned sealed tenders may be for the whole or part of 2,000,000 £., in the proportion of three-quarters of Guaranteed Bonds, and one-quarter of ordinary 5 per Cent. Canada Bonds, and no tender will be admitted which does not comply with this condition.

The Minister of Finance of Canada will deliver to the partners present, of Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., a sealed paper containing the minimum price at which he will sell the above-mentioned 2,000,000 £. bonds, and those partners will then open the tenders, and afterwards the Minister's sealed paper, and allot the bonds to the highest bidder or bidders, *pro rata*, according to the price offered.

Neither Messrs. Baring Brothers & Co., nor Messrs. Glyn, Mills, Currie, & Co., will make any tender.

Upon allotment a payment of per cent. will be required, and the subsequent instalments must be paid at the office of Messrs. Baring, Brothers & Co., or Messrs. Glyn, Mills, Currie, & Co., as follows, or in default the previous payments will be forfeited.

Payment of these instalments may be made in full on any of the above days under discount, at the Bank of England minimum rate of discount.

Scrip receipts will be issued without delay, and bonds of 1,000 £., 500 £., or will be delivered in exchange as soon as practicable.

(Copy.)

Sir,

London, 16 July.

I HAVE the honour to acknowledge receipt of your communication of the 15th instant, informing me, by direction of the Lords Commissioners of Her Majesty's Treasury, that their Lordships have no objection to offer to the proposed mode of raising the loan for the construction of the Intercolonial Railway, and that they are prepared to guarantee interest on the sum of 3,000,000 £. sterling, in the manner stated in your letter, and that Mr. G. A. Hamilton, the Permanent Secretary of the Board, has been appointed to sign the bonds when forwarded to the department.

Permit me, in reply, to express my grateful acknowledgments, both on my own part, and on behalf of the Government of Canada, for the great courtesy and promptitude which the Chancellor of the Exchequer, and the Lords Commissioners, so kindly evinced in the course of the recent negotiations, and for their readiness to meet the wishes of the Government of Canada.

The bonds will be forwarded in accordance with your instructions to the Secretary of the Treasury as soon as received from Canada, through Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in England, and will be countersigned by one or other of those firms in evidence of their genuineness.

I have, &c.
(signed) *John Rose.*

INTERCOLONIAL RAILWAY LOAN, &c.

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Messrs. Baring Brothers & Co.
Messrs. Glyn, Mills, Currie, & Co.

Gentlemen,

London, 18 July 1868.

REFERRING to the communications which have taken place between us during the last fortnight, on the subject of the Intercolonial Railway Loan, I have now the honour to enclose the copy of a letter from the Lords Commissioners of Her Majesty's Treasury, approving of the terms suggested in the course of our recent interviews, and of the form in which the guarantee of the Imperial Government shall be given.

I have, accordingly, to request that you will be good enough to take the necessary measures for placing the loan upon the market, in the terms stated in the enclosed draft of prospectus, and form of bond attached thereto. The bonds themselves will be prepared in Canada, in such amounts as you may indicate, and will be transmitted to you with the least possible delay.

I should be glad to be apprised of the result of your views on the question of commission, which has been discussed between us, and which you informed me would not, in any case, exceed the customary charge for similar operations on behalf of other foreign Governments, nor what, under the circumstances, would be a proper and reasonable remuneration for agency.

On the subject of investing the instalments that may be made, I have only to repeat the instructions already verbally expressed, that you will obtain the best rate of interest compatible with perfect security and immediate convertibility. The Indian Stock held as a sinking fund for the last instalments of the former loan on the Imperial guarantee, may, I presume, be considered of that character, and I will be glad if you will make arrangements with Commissioners, in whose control it is, for the retention of that stock, by your paying the balance of the loan, on its maturity, out of the money to be raised by the present operation.

I have, &c.
(signed) *John Rose*,
Minister of Finance, Canada.

Sir,

London, 28 July 1868.

WE have delayed our reply to the letter, which you have done us the honour to address to us, under date of the 18th instant, until the conclusion of the negotiation of the loan for the Dominion of Canada, in order to reply at once more positively to its several contents, and you will allow us now to commence by congratulating you, and by expressing our own sincere satisfaction, on the result of the tenders on 23rd instant, which have proved to be so favourable to the interests and credit of your Government.

The conditions on which the loan was offered to the public were in conformity with the official sanction of Her Majesty's Treasury, and with the instructions contained in your letter; and we observe with pleasure that the greatest possible expedition will be insured for the transmission to us here of the necessary bonds from Canada, since, for the satisfaction of the subscribers, it is most desirable that delay in their delivery should, as much as possible, be avoided.

With regard to the commission which our two firms will charge upon this operation, we are influenced, not only by the wishes for economy which you have personally expressed to us, but by our own desire to render the proceeds of the loan as advantageous as possible to the dominion, in agreeing that a commission of 1 per cent. on the nominal amount, and not on the actual sum received, 20,000*l.* between our two firms, should cover, not only our own remuneration for the agency, and responsibility of the transaction, but should also relieve the Government from all the incidental charges of legal expenses, advertisements, printing here, and other petty disbursements, so that the only additional expense for which the dominion will be liable will be the stamp duty required by the British Government; and we shall charge no additional commission for any purchases of stock which we may be required to make for the future employment of the sinking fund. Without entering into details, we must add, that the commission we now charge is much below that usually adopted for the agency in the negotiation of any foreign loan.

We take note of our instructions, that we should obtain for the temporary employment of the money to be received by us, the best rate of interest compatible with perfect security and immediate convertibility; but we regret that, in the present state of the money market, and consistently with these conditions, we cannot credit this account with a higher rate of interest than 1 per cent. per annum, whilst we assure you that we shall avail of any improvement in the value of money to afford to the Government such increased advantages as opportunities may allow.

With regard to the Indian Securities to which you allude, they are not under our control, and we must await your further powers and instructions; but we take due note of your order to us to pay the balance, when due, of the former guaranteed loan of Canada, which will be regularly complied with.

272—I.

It

CORRESPONDENCE RELATIVE TO

It only remains with us to repeat the assurance of our anxiety to devote our services in every way to the advancement of the credit and prosperity of the Dominion of Canada, and to renew to you the expression of the personal respect with which

We have, &c.
(signed) *Baring Brothers & Co.*
Glyn, Mills, Currie, & Co.

Messrs. Baring Brothers & Co.
Messrs. Glyn, Mills, Currie, & Co.

Gentlemen,

London, 29 July 1868.

IN acknowledging your letter of yesterday's date, in reply to mine of the 18th instant, permit me to convey my cordial acknowledgments to your respective firms for the satisfactory manner in which the recent operations connected with the Intercolonial Loan were carried out by you, and to say I feel assured the Government of Canada recognise in the anxiety you evinced to make it successful, a practical evidence of the interest which you express in the future prospects and credit of the dominion.

I trust that the occasion which has arisen, of bringing its resources and character before the public, with your co-operation (on which I feel assured Canada may at all times rely), tend to place its securities and credit as high as those of the most favoured nations.

The charge which you make for commission, which you propose shall cover not only your ordinary remuneration for the agency and responsibility of the transaction, but all incidental charges of legal expenses, advertising, printing here, and petty disbursements, is satisfactory; and I have to express my thanks for your consideration in waiving the important item of commission in connection with the future management of the Sinking Fund.

I note your assurance, that you will avail of any improvement in the value of money, to obtain for the Government such rate of interest as opportunity may allow. Meanwhile be pleased, out of the first instalments, to extinguish the amount standing at the debit of the province, with your respective firms.

I have communicated with the Treasury on the subject of the Indian Securities; and I will thank you to redeem the balance of the former loan at maturity, and to intimate to Her Majesty's Government that you will be prepared to do so out of funds in deposit with you.

Will you be kind enough to furnish me with a list, under your signatures, of the bids for the loan, and also to apprise me, as soon as possible, of the number of bonds for the respective amounts of 1,000 £., 500 £., and 100 £., which you wish sent over.

I beg to thank you for the kind expressions at the close of your letter, and to acknowledge very cordially the uniform courtesy and kindness which you have extended to me in common with all my predecessors in official intercourse with you.

I have, &c.
(signed) *John Rose,*
Minister of Finance, Canada.

INTERCOLONIAL RAILWAY LOAN, &c.

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LIST OF TENDERS FOR INTERCOLONIAL LOAN.

	£.	£. s. d.		£.	£. s. d.		£.	£. s. d.
1	10,000	104 5 -	83	10,000	104 10 -	172	3,000	104 5 -
2	10,000	104 2 6	84	16,000	101 11 -	173	3,000	104 - -
3	300,000	103 - -	85	5,000	101 11 -	174	3,000	103 15 -
4	1,250	102 15 -	86	4,000	102 11 -	175	3,000	103 15 -
5	400	104 - -	87	1,000	102 11 -	176	3,000	100 - -
6	2,000	101 11 6	88	4,000	101 1 -	177	50,000	105 2 6
7	2,000	103 2 6	89	1,000	101 2 6	178	2,000	103 - -
8	2,000	102 12 6	90	4,000	103 2 6	179	300	104 - -
9	4,000	104 7 6	91	4,000	104 11 -	180	500	103 - -
10	4,000	103 2 6	92	10,000	102 - -	181	400	101 1 6
11	20,000	104 16 -	93	100,000	104 2 6	182	6,000	101 11 -
12	2,000	104 1 -	94	20,000	100 13 1	183	4,000	103 - -
13	5,000	104 6 -	95	400	95 - -	184	10,000	102 - -
14	2,000	104 1 -	96	1,200	104 15 -	185	5,000	105 1 -
15	2,000	104 1 -	97	1,200	105 5 -	186	5,000	104 11 -
16	2,000	103 - -	98	5,000	102 - -	187	5,000	102 15 -
17	2,000	102 - -	99	400	104 - -	188	10,000	103 3 6
18	2,000	101 - -	100	4,000	102 10 -	189	9,600	105 2 -
19	2,000	105 1 -	101	4,000	102 12 6	190	10,000	103 11 -
20	75,000	105 1 -	102	3,000	103 - -	191	8,000	102 5 8
21	100,000	104 2 6	103	5,000	104 5 -	192	1,000	105 5 -
22	8,000	105 6 -	104	5,000	103 15 -	193	1,000	104 2 6
23	4,000	105 6 -	105	5,000	103 10 -	194	3,000	103 3 -
24	50,000	105 1 -	106	5,000	103 17 6	195	5,000	103 6 -
25	38,000	102 10 -	107	4,000	102 10 -	196	5,000	103 12 -
26	8,000	105 3 -	108	4,000	103 10 -	197	5,000	104 1 -
27	4,000	100 1 -	109	2,000	104 - -	198	2,000	105 - -
28	5,000	104 2 6	110	100,000	105 - -	199	10,000	104 17 6
29	3,000	104 17 6	111	400	106 - -	200	10,000	105 5 -
30	5,000	103 2 6	112	400	103 - -	201	20,000	103 10 -
31	25,000	103 10 -	113	600	101 - -	202	50,000	102 10 -
32	15,000	104 - -	114	5,000	103 - -	203	38,000	102 10 -
33	25,000	105 10 -	115	50,000	105 - -	204	5,000	104 7 6
34	5,000	102 10 -	116	250,000	104 5 -	205	5,000	104 2 6
35	1,000	102 11 6	117	400	101 1 6	206	5,000	102 5 -
36	4,000	103 10 -	118	2,000	92 - -	207	5,000	103 5 -
37	4,000	103 - -	119	6,000	90 10 -	208	150,000	104 7 6
38	4,000	105 - -	120	100,000	103 15 -	209	3,000	95 12 6
39	400	104 10 -	121	4,000	100 - -	210	10,000	104 - -
40	800	104 - -	122	6,000	97 - -	211	60,000	103 - -
41	4,000	100 5 -	123	4,000	100 10 -	212	24,000	102 10 -
42	4,000	102 10 -	124	10,000	103 - -	213	20,000	103 - -
43	4,000	105 - -	125	2,000	103 - -	214	75,000	103 11 -
44	1,000	103 - -	126	2,000	102 - -	215	75,000	102 12 -
45	6,000	104 - -	127	800	104 - -	216	75,000	102 4 -
46	5,000	102 10 -	128	500	95 - -	217	10,000	104 8 -
47	20,000	103 5 -	129	100,000	101 15 -	218	10,000	104 16 -
48	3,000	103 11 -	130	10,000	101 10 -	219	6,000	105 5 -
49	3,000	104 7 6	131	10,000	102 - -	220	50,000	105 6 -
50	1,000	103 10 -	132	6,000	101 10 -	221	50,000	104 13 -
51	50,000	103 2 6	133	2,000	145 10 -	222	100,000	103 11 6
52	5,000	103 12 6	134	50,000	103 5 -	223	5,000	100 - -
53	5,000	103 18 -	135	3,000	103 11 -	224	12,000	104 5 -
54	5,000	103 1 -	136	2,000	103 10 -	225	12,000	103 15 -
55	10,000	103 15 -	137	2,000	103 10 -	226	1,000	98 15 -
56	5,000	104 5 -	138	30,000	103 10 -	227	2,000	101 5 -
57	5,000	103 17 6	139	50,000	102 - -	228	2,000	102 5 -
58	5,000	103 15 -	140	2,800	101 11 -	229	4,000	102 15 -
59	9,000	100 - -	141	3,000	101 6 -	230	2,000	103 5 -
60	4,000	100 5 -	142	5,000	102 - -	231	10,000	96 5 -
61	4,000	100 10 -	143	10,000	103 - -	232	6,000	102 5 -
62	4,000	100 15 -	144	50,000	102 10 -	233	6,000	103 5 -
63	4,000	101 - -	145	50,000	104 3 -	234	1,000	104 16 -
64	5,000	103 12 6	146	38,000	101 17 6	235	8,000	102 5 -
65	4,000	104 5 8	147	34,000	102 15 6	236	8,000	103 5 -
66	4,000	105 5 -	148	19,200	103 13 -	237	200,000	104 - -
67	1,200	105 - -	149	16,800	103 11 6	238	10,000	104 6 -
68	10,000	103 17 6	150	4,800	104 3 -	239	20,000	104 1 3
69	10,000	104 7 6	151	50,000	104 3 -	240	6,000	104 5 -
70	1,600	100 - -	152	10,000	104 17 6	241	20,000	104 10 -
71	10,000	104 11 -	153	4,000	101 - -	242	20,000	104 10 6
72	20,000	102 11 -	154	2,000	103 - -	243	50,000	105 6 -
73	10,000	103 11 -	155	2,000	104 5 -	244	10,000	105 1 3
74	10,000	105 5 -	156	5,000	103 3 -	245	60,000	105 2 6
75	10,000	103 5 -	157	10,000	104 12 6	246	5,000	104 16 -
76	20,000	101 5 -	158	10,000	105 1 3	247	4,000	103 - -
77	10,000	104 5 -	159	10,000	105 10 -	248	5,000	104 3 9
78	20,000	104 - -	160	2,000	104 1 -	249	6,000	105 6 6
79	5,000	101 - -	161	10,000	100 2 6	250	400	95 - -
80	5,000	103 - -	162	2,000	105 15 -	251	5,000	102 - -
81	10,000	104 5 -	163	2,000	102 - -	252	20,000	104 17 6
82	1,000	95 - -	164	5,000	104 15 -	253	800	104 7 6
	500		165	3,000	106 5 -	254	400	105 1 -
			166	20,000	104 8 -	255	7,500	105 4 -
			167	20,000	104 13 -	256	20,000	102 10 -
			168	10,000	104 18 -	257	50,000	104 - -
			169	10,000	105 1 -	258	20,000	104 15 -
			170	10,000	105 6 -		5,000	105 2 6
			171	3,000	104 15 -		10,000	103 12 6
				3,000	104 10 -		5,000	104 2 6

LIST of Tenders for Intercolonial Loan—continued.

	£.	£. s. d.		£.	£. s. d.		£.	£. s. d.
259	25,000	103 2 6	293	3,000	102 9 6	330	5,000	104 1 3
260	20,000	101 2 6	294	5,000	103 5 3	331	5,000	103 10 -
261	10,000	105 - -	295	100,000	105 6 -	332	10,000	103 - -
262	50,000	104 1 6	296	100,000	104 1 -	"	10,000	103 10 -
263	60,000	104 1 6	297	130,000	104 10 6	"	10,000	103 10 -
264	2,000,000	105 12 6	298	6,800	105 - -	"	10,000	103 15 -
265	1,000	104 10 -	299	10,000	104 12 6	"	10,000	104 - -
266	4,000	104 10 -	300	50,000	103 13 6	333	30,000	104 10 -
267	6,000	103 10 -	301	20,000	104 3 6	334	30,000	10 - -
268	2,000	104 - -	302	10,000	105 3 6	335	30,000	105 - -
269	2,000	105 10 -	303	5,000	102 10 -	334	30,000	106 10 -
270	20,800	102 - -	304	6,000	103 - -	315	4,000	195 17 6
271	50,000	102 10 -	305	5,000	104 10 -	290	30,000	106 1 6
272	10,000	104 - -	306	7,000	103 8 9	277	4,000	106 1 -
273	2,000	105 1 6	307	50,000	105 2 -	164	2,800	106 5 -
274	400	105 7 6	308	50,000	103 3 6	161	2,000	105 15 -
275	25,000	103 - -	309	10,000	103 15 -	101	400	106 - -
276	4,000	104 - -	310	20,000	104 10 -			
277	4,000	104 1 -	311	50,000	103 13 6		73,200	
278	4,000	105 1 -	312	20,000	104 3 6		1,926,800	105 12 6
279	4,000	106 1 -	313	10,000	105 3 6			
278	4,000	104 1 -	314	4,000	105 5 -		2,000,000	
"	2,000	104 12 -	315	4,000	105 17 6		739,650	
279	10,000	103 10 6	316	10,000	105 11 -		230,200	
280	100,000	104 10 -	317	20,000	104 11 6		504,300	
281	100,000	104 - -	318	30,000	103 16 -		700,500	
282	400	103 - -	319	30,000	103 11 -		507,600	
283	135,000	104 12 6	320	40,000	103 7 -		236,800	
284	70,000	104 2 6	321	50,000	102 12 7		918,000	
285	75,000	104 2 6	322	50,000	101 2 -		643,600	
286	10,000	105 1 3	323	50,000	104 10 -		2,552,800	
287	25,000	103 10 -	324	12,000	101 2 -		1,004,800	
288	3,000	102 10 -	325	20,000	104 10 -		211,000	
289	2,000	105 - -	326	5,000	104 3 9			
290	30,000	106 1 6	327	10,000	104 11 6		8,249,250	
291	20,000	103 15 -	328	10,000	102 5 -			
292	5,000	103 6 -	329	4,000	104 17 6			

The above is a list of the tenders for the Canadian Intercolonial Railway Loan, received 23rd July 1868.

(signed) *Baring Brothers & Co.*
Glyn, Mills, Currie, & Co.

Hon. John Rose, Minister of Finance.

Dear Sir,
I HAVE to acknowledge the receipt of your letter of the 10th instant, referring to the heavy expenditures, on the part of the Government, pending the financial arrangements about to be made in London, and desiring a renewal of the loan from the bank of 2,500,000 dollars, maturing on the 30th instant, say 1,000,000 dollars for three months, to mature 30th September; and 1,500,000 dollars for six months, to mature 31st December next.

The bank is quite ready to meet the wishes of the Government, and will renew its loan in the manner you propose.

You are correct in the estimate of 500,000 dollars, available to the Government from the sales of Dominion Bonds, issued in connection with the export of American silver, as verbally reported, a sale of 500,000 dollars of bonds has been made to the Government of Ontario, and only awaits the sanction of an Order in Council from Toronto, to render the proceeds available to the Government of the dominion.

An account is being prepared of the recent silver operations, which I hope to furnish to-morrow.

INTERCOLONIAL RAILWAY LOAN, &c.

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Dear Sir,

Montreal, 24 August 1868.

I SHOULD be glad to know what arrangements the Bank would be willing to make respecting the loan of two and one-half millions of dollars, maturing on the 30th September and 31st December next, in case the Government should determine to anticipate the payment of any of the instalments.

It is probable that a considerable sum of money may be at the disposal of the Dominion, and I will thank you to say whether it will suit your arrangements to receive any, and what, sum in deposit in excess of the debt due to the bank, and what rate of interest the bank would be willing to allow on such deposits.

I should likewise feel obliged by your stating whether arrangements can be made, so that a credit of 500,000 *l.* sterling can be available to the Government at such time within the next 18 months, and in such sums as may be required for the purposes of the Intercolonial Railway.

In case the bank cannot meet the views of Government with reference to the repayment of the loan, or further deposits, I will thank you to say whether any arrangement can be made for the purchase of any, and what, amount of Dominion Stock, and on what terms.

E. H. King, Esq.,

General Manager, Bank of Montreal, Montreal.

Yours, &c.

(signed) *John Rose.*

Hon. John Rose, Minister of Finance, Ottawa.

Dear Sir,

Bank of Montreal, Montreal,
25 August 1868.

I BEG to acknowledge your letter of 24th instant. In the present state of the money market, the bank can find no profitable employment for the large sum of 2,500,000 dollars, and it would much prefer that the loans maturing for that amount should remain undisturbed until maturity.

The directors request me to say, however, that if it will be any advantage to the Government to deposit the sum of 2,500,000 dollars, with the understanding that it is to be supplied in payment of the loans at their maturity, the bank will allow interest thereon, at the rate of 4 per cent. per annum. And with reference to the inquiry whether an available credit for a similar amount, on say 500,000 *l.* sterling, can be arranged, I am desired to reply, that the directors will be quite willing, and entertain no doubt of their ability to make advances to the Government to that extent, within the next 18 months, if required, for the purpose of the Intercolonial Railway.

With respect to any further deposits of money, the directors are compelled to decline them at present, as they can see no outlet for their profitable employment, and in response to your last inquiry, they would suggest that such moneys be invested in the purchase of Dominion Stock, which can probably be obtained at a small discount, to the extent of 500,000 *l.* This would be a more advantageous than the present arrangement for the Government, and if there be no objection to the redemption of what is now a permanent loan, at 6 per cent. per annum, the directors would prefer to see a portion of the money intended for the repayment of their loan employed for that purpose, rather than in deposit with the bank, under present circumstances.

I remain, &c.

(signed) *E. H. King,*
General Manager.

Dear Sir,

Ottawa, 25 August 1868.

I HAVE to acknowledge your letter of the 25th instant, in reply to mine of the 24th.

The terms you name with reference to the deposit of the 2,500,000 dollars, and the application of that sum to the repayment of the bank loan, are satisfactory; and I have to express my acknowledgment to the bank for its readiness to meet the wishes of the Government, as well in that matter as in granting the credit of 500,000 *l.*, referred to in my letter.

The available bank balances in Canada will be required to meet maturing bonds and other engagements of the Government here, and payment of the 2,500,000 dollars will have to be made by exchange on our London agents.

I am apprehensive of the effect which throwing so large an amount of exchange on the market would have on the rate; and I will feel obliged by your favouring me with your opinion as to the quantity which the market here could absorb without causing a decline, and also on the expediency of having the bills drawn against a credit authorised by the Government in London, rather than by the Receiver General himself.

I will further thank you to say what arrangements the bank would be willing to make itself, for having the money available, and placed to the credit of the Government here.

I do not think that, for the present, I am in a position, under the circumstances of the contemplated arrangement, to negotiate for the purchase of the Dominion Stock.

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Thanking

Thanking you for the promptitude with which you have acted on my former communications, and awaiting your early reply to this letter,

E. H. King, Esq.,
General Manager, Bank of Montreal, Montreal.

I am, &c.
(signed) John Rose.

Hon. John Rose, Minister of Finance.

Bank of Montreal, Montreal,
25 August 1868.

Dear Sir,

I HAVE to acknowledge your letter of this date. There can be no doubt that the sale of 500,000 *l.* sterling would cause a decline in the exchange market. So far as the local market is concerned, it would assist you but little. It would not absorb more than 20,000 *l.* to 25,000 *l.* per week, for cash sales, and not even that without a concession on the rate, which approximates, for such sales, very close to that of New York. You would also find Commissariat bills competing with yours in the market, before you had sold any considerable amount.

I am satisfied that it is not advisable for the Government to draw their own bills for sale in New York. Their appearance would at once give rise to the impression, Government was drawing very heavily against the Intercolonial Railway loan, and this would immediately cause a decline in the market. To avoid this, I think it would be more for your advantage to use our bills of exchange, paying our English bank commission, and the stamps we require to affix. If this were done, the bank would undertake the sale of the bills through its agents in New York, at the rate of 100,000 *l.* per week, charging a commission of one-quarter of 1 per cent., which would cover the remittance of the funds to the credit of the Government at Ottawa, without further charge.

The highest class of bills can be bought in New York to-day, according to my latest telegrams, at 9½ per cent. premium, and you might limit our sales, for your account, to that, or such lesser rate as you think advisable. It would doubtless be more for the advantage of the Government if the whole 500,000 *l.* sterling could be disposed of in one sale, at a fair rate, inasmuch as it would give you the benefit of interest immediately.

I am unwilling that the bank should take any risk of loss by decline of the market, and I don't think it could be considered entirely safe in making an offer for such a sum, even with a margin of one-half of 1 per cent. in the rate, exclusive of English commission; this would make the rate, based upon to-day's quotations, 8½ per cent. premium, net, for the funds in Canada.

If the Government should be disposed to accept the rate, I shall submit to the directors; but I shall be more pleased, so far as the bank is concerned, if you elect to take the chances of the market, and direct us to sell for your account.

I remain, &c.
(signed) E. H. King,
General Manager.

P. S.—Since the above was written, I have lower quotations from New York, and I wish my suggestion, as to the bank purchasing the whole amount, to be understood as contingent on present rates.

TELEGRAM sent by the Honourable the Minister of Finance to E. H. King, Esq.,
General Manager, Bank of Montreal, 25th August 1868.

BANK to sell one-half on commission; and for other half Government will accept your rate; sales of your own, and Government exchange, to be "*pari passu.*" Will it not answer if Baring and Glyn deposit money in Union Bank to your credit?

Any commission or stamps saved by that course, Government will expect to be allowed. Telegraph if possible, to-night, whether that course will answer, or whether bills shall still be sent.

TELEGRAMS sent by the Honourable the Minister of Finance to E. H. King, Esq.,
General Manager, Bank of Montreal.

E. H. King, Esq., B. of M.

27 August 1868.

LETTERS to Baring and Glyn sent you by post to-day, directing them to place Five hundred thousand pounds at your disposal when required.

INTERCOLONIAL RAILWAY LOAN, &c.

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E. H. King, Esq., Montreal,

28 August 1868.

LETTER and telegram received, and quite satisfactory. Leave operations to-day and to-morrow to your discretion; will approve sales you make.

Have sent copy instructions direct, Baring and Glyn. Please give them a few days' notice of any large withdrawals.

E. H. King, Esq., Montreal,

1 September 1868.

EXERCISE discretion as to sale of exchange to-day; cannot leave till Wednesday.

E. H. King, Esq., Agency Bank of Montreal,

William-street, New York,

10 September 1868.

INCLINED to realise, even at fraction under, unless you would advise holding.

(signed) *John Rose.*

TELEGRAMS received by the Honourable the Minister of Finance from *E. H. King, Esq.*,
General Manager, Bank of Montreal.

12.15. a.m. Montreal.

Hon. John Rose,

26 August 1868.

RATE has fallen to-day; will answer fully in the morning, when New York telegram comes in.

(signed) *E. H. King.*

Hon. John Rose,

Montreal, 27 August 1868.

NEW YORK quotation is lower than my calculations, but we will carry out transactions; do you send bills or letter, as suggested this morning.

(signed) *E. H. King.*

Hon. John Rose,

Montreal, 27 August 1868.

WE pay same English commission for deposits on bills; but if you will send me official letters addressed to each agent, requesting payment of respective sums, as I may direct, it will save English stamps, and give us some interest, which we will allow to Government; send either letters or bills this mail. New York telegram not yet to hand; will advise you at once if it interferes with proposed arrangement.

(signed) *E. H. King.*

Hon. John Rose,

Montreal, 28 August 1868.

FOLLOWING telegram just received from New York agent: eight seven-eighths ($8\frac{7}{8}$). Serious decline apprehended. No demand.

(signed) *E. H. King.*

Hon. John Rose,

Montreal, 28 August 1868.

MESSAGE received. Have telegraphed, New York, to sell fifty at eight seven-eighths ($8\frac{7}{8}$), or better; will not reduce the limit without your instructions.

(signed) *E. H. King.*

Hon. John Rose,

Montreal, 28 August 1868.

RATE in New York to-day, weak at nine. Please fix rate for Government. Will do better than your limit if possible.

(signed) *E. H. King.*

Hon. John Rose,
 MARKET very heavy ; must take less than nine (9) for large amounts ; will you give me limit, or postpone sales.

Montreal, 9 September 1868.

(signed) *E. H. King.*

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 27th of August 1868.

THE Committee have had under consideration the annexed Memorandum of the Honourable the Minister of Finance, reporting, for your Excellency's information, the proceedings adopted by him whilst recently in England for the negotiation of the Intercolonial Railway Loan, and the arrangements entered into with the Financial Agents of the Dominion in London, in relation thereto ; and they respectfully report their concurrence in the measures so adopted by the Finance Minister, and submit the same for your Excellency's sanction.

(Certified) *W. H. Lee, Clerk, P.C.*

THE undersigned has the honour to submit, for the information of his Excellency the Governor General, the following report of his proceedings in England on the subject of the Intercolonial Railway Loan. It was important that the preliminary arrangements with Her Majesty's Government should be made without delay, in order that advantage might be taken of the unusually favourable state of the money market, and that the loan should be placed before the summer holidays, as well as previous to certain anticipated loans by the Governments of France, Egypt, and Sweden.

Communication was, accordingly, immediately had with his Grace the Duke of Buckingham and Chandos, for the purpose of obtaining the requisite assent to the sufficiency of the legislation here, and of having that assent conveyed to the Chancellor of the Exchequer and the Lords Commissioners of Her Majesty's Treasury.

Copies of the correspondence which took place are herewith submitted.

After full discussion with Messrs. Baring Brothers, and Messrs. Glyn, Mills, Currie & Co., the Financial Agents, it was considered proper to offer the loan on the terms stated on the accompanying prospectus, which terms were accordingly communicated to the Chancellor of the Exchequer and the Lords Commissioners of the Treasury.

The approval of the Secretary of State for the Colonies having been obtained, the general conditions, and the terms of the proposed bond, were discussed at a meeting with his Grace, the Colonial Secretary, the Chancellor of the Exchequer, and the Secretary of the Treasury, at which Mr. Baring and Mr. Glyn were present, and these terms were finally settled.

The correspondence on that subject is annexed to this report. Every publicity was given by advertisement, through the press, and otherwise, respecting the loan.

The minimum price was settled by the undersigned, and placed in a sealed paper in the hands of the Financial Agents, in the presence of the bidders for the loan, but was not communicated to any one.

The sealed tenders (in number 335) were opened by the Financial Agents, in the presence of the parties tendering. A schedule of those bids is herewith submitted.

Letters dated London.
 J. Rose to Baring Brothers, &
 Glyn, Mills & Co., 18th July
 1868.

Reply dated 28th July.
 Reply dated 29th July.

A good deal of communication took place on the subject of the commission to be charged by the Financial Agents. The result of those communications will be found in the correspondence entered in the margin.

The undersigned thinks it right to acknowledge the exertion made by the Financial Agents to place the loan on the most advantageous terms possible, and to say that he believed the arrangements touching the commission, and management of the Sinking Fund are more favourable to Canada than are ordinarily accorded by London agents to foreign governments on like operations.

He cannot close this report without mentioning the courtesy and ready assistance which were on all occasions extended to him by his Grace, the Secretary of State for the Colonies, the Chancellor of the Exchequer, and by the Lords Commissioners of Her Majesty's Treasury.

But for the facilities which were at all times so kindly afforded, it might have been difficult to have placed the loan on the market during the present season.

(signed) *John Rose,*
 Minister of Finance.

Ottawa, 14 August 1868.

INTERCOLONIAL RAILWAY LOAN, &c.

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COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the 27th August 1868.

THE Committee have had under consideration the annexed memorandum from the Honourable the Minister of Finance, submitting for consideration and approval, certain arrangements which he suggests should be made in view of the exceptional state of the financial affairs of the Dominion, and reporting the measures he has adopted in reference thereto.

The Committee advise that the action taken by the Minister of Finance be approved; and further, that the balance due to the Financial Agents in London be paid out of the amounts on deposit with them; that the maturing bonds, and other engagements mentioned in the memorandum of the Finance Minister, be paid, and that his recommendation, as to the issue of Exchequer Bills or Bonds be carried into effect through the Treasury Board, in such form as may be deemed expedient; and finally, that the Finance Minister be authorised to carry out his suggestion with reference to Exchange, in such manner as he may deem most advantageous.

(Certified) *W. H. Lee,*
Clerk, P.C.

The undersigned has the honour to submit a statement of the amount deposited on account of the Intercolonial Loan, together with the other balances available to the Government in the banks here, amounting in the aggregate to about \$6,200,000, accompanied with a statement of the engagements which the Dominion has to meet at an early day.

The loan of two and one-half millions of dollars from the Bank of Montreal, and the bonds amounting to \$880,000, issued in 1866, both bear 7 per cent. interest, while the amount payable to Ontario, bears 5 per cent.

The balance on the account of the Financial Agents in London also bears 5 per cent. interest.

These agents report that they are unable at the present moment to obtain in England more than 1 per cent. per annum on the sum in their hands. It is obvious, therefore, that, unless other employment can temporarily be found for the money, a serious loss of interest may take place, for the Dominion is paying at the rate of 7 per cent. interest on all its old current loans, 4 per cent. on three-fourths, and 5 per cent. on one-fourth of the Intercolonial Loan, and 5 per cent. to Ontario, and a like rate on any balance due the Fiscal Agents in London.

The Minister of Finance begs to bring under the notice of his Excellency in Council the following suggestion, by which it is sought to accomplish the double purpose of finding such employment for the money as will avert a serious loss to the dominion in the way of interest, and at the same time provide, beyond all possible eventuality, for having the Intercolonial money immediately available whenever it may be required for the prosecution of the work.

The credit with Messrs. Baring & Glyn, which the dominion may avail of to the extent of 250,000*l.* sterling, he proposes shall be specially used, if need be, to recoup any portion of the Intercolonial money that may now be invested in any interest-bearing securities, issued for the reduction of such dominion liabilities as bear a high rate of interest, and the Bank of Montreal have agreed to grant a further credit for the like purposes of the Intercolonial Railway, to the extent of 500,000*l.* sterling.

He suggests, further, in addition to these special credits provided for recouping the Intercolonial Loan, that Exchequer Bills of the Dominion, bearing a like rate of interest as is payable on that loan, be prepared; that these Exchequer Bills shall be receivable in payment of all dues to the Government, and be placed in the hands of the Receiver General, as Trustee for the Intercolonial Fund, and not be issued by him unless needed for that work.

There will thus be available, for recouping the Intercolonial Fund, apart from the general resources of the Dominion, the special credits of the Financial Agents and of the Bank of Montreal, and Exchequer Bills convertible at any moment, as they are receivable in payment of public dues, at short date.

Although the undersigned does not contemplate the probability of any occasion arising, which will render it necessary for the Dominion to avail itself of any of these special means provided for replacing the Intercolonial Fund, and although, under ordinary circumstances, the surplus revenues of the Dominion, and the incomings from good debts actually due to it from Savings Banks deposits, and the issue of Dominion Stock to Insurance Companies and the public, as demand for it may arise, might be relied on to meet the payments on the works, according to their progress; yet in view of the circumstances attending the issue of the Intercolonial Loan, he is of opinion that the special provisions before suggested, should be supplied before even a temporary use of any portion of the fund is made.

If Council deem it expedient to invest any portion of the Intercolonial money in such way as to reduce the interest payable by the Dominion, it will be necessary to bring the funds now in deposit with the London Financial Agents, to Canada.

In anticipation of the possibility of that operation the undersigned had informal communication with the Bank of Montreal, the substance of which is contained in the correspondence and telegrams herewith submitted.

It will be seen that the Bank is willing either to sell the Bills of Exchange of the Government for a Brokerage, and place the proceeds to the credit of the Dominion at Ottawa, or themselves to purchase the Exchange at the rate specified in the Manager's letter placing the proceeds to the credit of the Government at once to bear 4 per cent. interest.

The undersigned has considered the propriety, first, of importing gold from England, and, secondly, of asking public tenders for Bills of Exchange. In the former way the money could not be laid down here except at a considerable loss as compared with the present quoted rates of Exchange in New York, and if the latter course were adopted he believes it would lead to a serious decline in the rates as well in Canada as in New York. He is of opinion that the same result would follow if the Government were to offer its own Bills drawn on the financial agents in London, for sale through any broker, or through the agency of the Bank of Montreal, and he thinks it would be for the interest of the Government to allow the Bills of the Bank of Montreal on the Union Bank of London, its agents there, to be used. This course will subject the Government to the payment of a brokerage to the Bank of Montreal on the sale of the Bills in New York, and the transfer of the funds thence to Canada, as well as to the cost of recouping that institution for the commission it may have to pay to its London agents on their acceptance and payment of the Bills it may draw. But he considers it probable that the cost to the Government of that plan would be less than the loss which would be occasioned by the decline in the rate of Exchange were the Government to draw its own bills on Messrs. Baring and Glyn.

From the best information within his reach, the undersigned is inclined to the opinion that the price of Exchange is less likely to rise than to decline for some time to come.

The present demand for American securities in Europe, the probable heavy export of grain and other products in the autumn, the prospect of a considerable cotton crop, and the light fall importations into Canada, are among the causes which prompt this belief, and he thinks it improbable that the Government would gain as much by waiting for a rise, as it would lose in the way of interest which the deposit of money on the sale of the bills would otherwise give. He therefore submits, for the consideration of Council, the expediency of realising the exchange as expeditiously as practicable in New York, and placing the amount at 4 per cent. interest.

But, in view of the impossibility of making any certain calculations with reference to the result, and in order that the Government may have the advantage of any rise in exchange, and at the same time place a considerable sum at once at interest, he proposes:—

1st. That the offer of the Bank to purchase, at the rate specified in Mr. King's letter, be accepted as to the half of the 500,000 *l.* sterling only.

2nd. That the other half be sold by the Bank on Commission on the terms stated by him, either *pari passu* with the purchased half, or at a minimum rate to be fixed from day to day by the Government when apprised of the daily quotations in New York.

3rd. That the sum of 500,000 *l.* be placed by the Financial Agents in London at the disposal of the Bank of Montreal, by letter of instruction to that effect, to meet the drafts of the Bank, and on the understanding that if the payment of stamps and commission to the Bank Agents is thereby avoided, these charges will be allowed to the Government.

Ottawa, 27 August 1868.

(signed) *John Rose,*
Minister of Finance.

INTERCOLONIAL RAILWAY LOAN, &c.

21

(Approximate.)

A STATEMENT of the ENGAGEMENTS which the DOMINION has to meet at an early Date.

	\$.	cts.
Amount of Loan due to the Province of Ontario - - - - -	500,000	00
„ payable to ditto on 30th September on account of Subsidy - - -	300,000	00
„ for redemption of 7 per Cent. Debentures, due 1st September - -	887,000	00
„ of Loans per Bank of Montreal, due on 30th September - \$ 1,000,000		
„ Ditto, 31st December - - - - - 1,500,000		
	2,500,000	00
„ payable on account of Nova Scotia and New Brunswick, on account of Works - - - - -	700,000	00
„ Balances due to Financial Agent in London - - - - -	973,333	00
TOTAL - - - \$.	5,860,333	00

Finance Department, Ottawa,
27 August 1868.

(Approximate.)

A STATEMENT of the Amount Deposited on account of the INTERCOLONIAL LOAN, together with other Balances available to the Government.

	\$.	cts.
Deposits on account Intercolonial Loan - - - - -	2,000,000	00
Balances in banks in Canada - - - - -	1,200,000	00
Instalments on account--		
Intercolonial Loan, payable in October - - - - -	2,500,000	00
Bank Balance on account of silver - - - - -	500,000	00
TOTAL - - - \$.	6,200,000	00

Finance Department, Ottawa,
27 August, 1868.

CANADIAN RAILWAYS.

CORRESPONDENCE

ON

INTERCOLONIAL RAILWAY LOAN.

FURTHER PAPERS RELATING TO.

(Presented pursuant to Act of Parliament.)

*Ordered, by The House of Commons, to be Printed,
18 June 1869.*

272--1.

Under 3 cz.

ADDRESSES

FROM THE

TWO HOUSES OF THE PARLIAMENT OF CANADA,

PRAYING FOR THE

ADMISSION OF THE COLONY OF NEWFOUNDLAND
INTO THE DOMINION OF CANADA.

Presented to both Houses of Parliament by Command of Her Majesty.

August 1869.



LONDON:

PRINTED BY GEORGE EDWARD EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.
FOR HER MAJESTY'S STATIONERY OFFICE.

[*Price 1d.*]

1869.

Addresses, &c.

CANADA.

COPY of a DESPATCH from Governor General the Right Hon. Sir JOHN YOUNG, Bart.,
to the EARL GRANVILLE, K.G.

(No. 77.)

Government House, Ottawa, July 2, 1869.

MY LORD,

Received, July 14, 1869.

In accordance with the request preferred in their Addresses to me, of which the copies are enclosed, I have the honour to transmit to your Lordship, for presentation to Her most Gracious Majesty, the Addresses of the two Houses of the Parliament of Canada praying for the admission of the Colony of Newfoundland into the Union on the terms and conditions therein expressed.

In submitting these terms and conditions for the Royal approval, at the proper time, I beg to state that they have been agreed upon by the Ministers of the Dominion in concert with the delegates specially sent for the purpose of discussing them by the Government and Parliament of Newfoundland.

They do not materially vary from the conditions adopted by the two Houses of Newfoundland during the last Session, and they will, I trust, prove acceptable to, and be sanctioned by, the constituencies of that island at the general election, which is to take place in the course of the ensuing autumn, so as to enable their representatives to present Addresses corresponding to those enclosed, early in the next year.

Right Hon. Earl Granville, K.G.
 &c. &c. &c.

(Signed)

I have, &c.

JOHN YOUNG,
Governor General.

Enclosure 1.

Enclosure 1.

To His Excellency the Right Honourable Sir John Young, Bart., one of Her Majesty's Most Honorable Privy Council, Knight Grand Cross of Her Majesty's most honorable Order of the Bath, Knight Grand Cross of Her Majesty's most distinguished Order of Saint Michael and St. George, Governor General of Canada, &c. &c. &c.

MAY IT PLEASE YOUR EXCELLENCY.

WE, Her Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, have agreed to an Address to Her most Gracious Majesty, on the subject of the admission of the Colony of Newfoundland into the Dominion of Canada, which we humbly pray that your Excellency will be pleased to transmit in such a way as to your Excellency may seem meet, in order that the same may be laid at the foot of the throne.

The Senate, Tuesday 15th June 1869.

(Signed) JOSEPH CAUCHON,
Speaker.

Enclosure 2.

Enclosure 2.

To his Excellency the Right Honourable Sir John Young, Baronet, one of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the most honourable Order of the Bath, Knight Grand Cross of the most distinguished Order of Saint Michael and Saint George, Governor General of Canada, &c. &c.

MAY IT PLEASE YOUR EXCELLENCY,

WE, Her Majesty's most dutiful and loyal subjects, the Commons of Canada in Parliament assembled, most respectfully beg leave to inform your Excellency that we have voted an humble Address to Her Majesty on the subject of the admission of the Colony of Newfoundland into the Dominion of Canada; and we respectfully pray that your Excellency will be pleased to transmit the same to Her Majesty's Principal Secretary of State for the Colonies, to be laid at the foot of the throne.

House of Commons, Thursday, 10th June 1869.

(Signed) JAMES COCKBURN,
Speaker.

Enclosure 3.

Enclosure 3.

To the Queen's most Excellent Majesty.

MOST GRACIOUS SOVEREIGN,

We, Your Majesty's most dutiful and loyal subjects, the Senate of the Dominion of Canada, in Parliament assembled, humbly approach Your Majesty, for the purpose of representing :

That on the fourth day of June instant, his Excellency the Governor General transmitted for our information a copy of the minutes of a conference between a committee of the Privy Council of Canada

4 ADDRESSES FROM THE PARLIAMENT OF CANADA,

CANADA.

and certain delegates from the Colony of Newfoundland, on the subject of the union of that Colony with the Dominion of Canada, and of the resolutions adopted by them, as the basis of such union, which are in the following words, namely :

Resolved, 1. That Canada shall be liable for the debts and liabilities of Newfoundland, existing at the time of the union :

2. For the purpose of placing the interest on the public debt of Newfoundland on the same footing as that of the other provinces, Canada will, on the request of the Lieutenant Governor and Council of Newfoundland, make arrangements to substitute in lieu of the existing securities which now represent the public debt of Newfoundland, the bonds or stock, either of the late Province of Canada, or of the Provinces of New Brunswick or Nova Scotia, issued before the 1st July 1867 ; and will further endeavour to provide that the securities of Newfoundland shall be placed on the same footing as those of the other Provinces, as investments in which the sinking funds of any portion of the debts for which Canada is now responsible may be made.

3. Newfoundland not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive by half-yearly payments, in advance, from the General Government interest at the rate of 5 per cent. per annum on the difference between the actual amount of its indebtedness and the indebtedness per head of the population of Nova Scotia and New Brunswick, the population of Newfoundland being estimated at 130,000.

4. In consideration of the transfer to the General Parliament of the powers of taxation, the following sums shall be paid yearly by Canada to Newfoundland, for the support of its Government and Legislature, to wit, \$35,000, and an annual grant equal to 80 cents per head of the aforesaid population, both half yearly in advance ; such grant of 80 cents per head to be augmented in proportion to the increase of population as may be shown by each subsequent decennial census, until the population amounts to 400,000, at which rate such grant shall thereafter remain, it being understood that the first census shall be taken in the year 1871.

5. In consideration of the transfer to the General Government by Newfoundland of the now ungranted and unoccupied lands, mines, and minerals of the Colony, it is agreed that the sum of \$150,000 shall each year be paid to Newfoundland by semi-annual payments in advance, and that Colony shall retain the right of opening, constructing, and controlling roads and bridges, through any of the said lands, and that the privilege heretofore enjoyed by the inhabitants of Newfoundland of cutting (free of charge) wood on the ungranted lands of the Crown, shall continue to be exercised by them in like manner free of charge, but the aforesaid reservations shall be subject to such regulations as may from time to time be passed by the Lieutenant Governor of Newfoundland in council, and which regulations shall be subject to the approval of the Governor General in council.

Such surrender shall also be subject to the reservations and provisoes contained in the 7th and 8th sections of the Act of the Legislature of Newfoundland, 7 Vic. cap. 1, but these shall in like manner be at all times subject to approval as aforesaid.

6. It shall be optional, however, for Newfoundland before entering the Union to reserve to itself all the lands and rights conveyed to the General Government by the last preceding clause, and in that case Canada shall be relieved of the payment of the aforesaid sum of \$150,000 per annum.

7. The encouragement, benefits, and protection, accorded by the Dominion to fisheries in other parts thereof shall be extended to the fisheries of Newfoundland, and unless Parliament shall make other provision, the provisions of the Act of the Legislature of Newfoundland, 31 Vic. cap. 1, sec. 3, shall remain in force.

8. In addition to the present local water rates and assessments in the town of St. John, the water dues now payable by vessels entering that harbour, as well as the present duty on coal entering the said harbour, shall be available to Newfoundland, and be applied in reduction of the interest for which Newfoundland is now responsible in respect of its liability toward the General Water Company ; such duties on coal and water dues shall be subject to adjustment from time to time by the Legislature of Newfoundland. On an address of such Legislature to that effect the Dominion Government will issue bonds bearing interest at 5 per cent. per annum, maturing not less than 15 years from the dates thereof, to be delivered to the Government of Newfoundland for the purpose of finding the aforesaid liability to the said General Water Company. On a like address, the Dominion Government will also issue bonds to fund the liability contracted in respect of the Harbour Grace Water Company, all such sums being charged to Newfoundland as part of its debt.

9. The Dominion will provide an efficient Mail Service between the present dominion, Newfoundland, and the United Kingdom, by steamers adapted and giving adequate facilities for the conveyance of passengers and cargo.

The obligations of Newfoundland with respect to the present Mail Service between Newfoundland and Halifax will be undertaken by the Governor of the Dominion, and on the expiry of existing arrangements other provisions will be made for maintaining the services in a manner equally advantageous to Newfoundland.

Efficient coast steam service, including Labrador, in connexion with the Post Office, will be established and maintained by the Government of the Dominion.

10. Canada will assume and defray the charges for the following services :—

- a. Salary of the Lieutenant Governor.
- b. Salaries and allowances of the Judges of the Superior Court, the Judges of District Courts, and the Labrador Judge and Bailiff.
- c. The Charges in respect of the Department of Customs.
- d. Postal Department.
- e. Protection of Fisheries.
- f. Provision for Volunteer, Militia, and Naval Brigade Force.
- g. Light-houses, Shipwrecked Crews, Quarantine, and Marine Hospitals.
- h. The Surveyor-General and his Staff (in case the lands shall be transferred).
- i. The Geological Survey.
- j. The Penitentiary.

FOR ADMITTING NEWFOUNDLAND INTO THE DOMINION. 5

And such further charges as may be incident to and connected with the services, which by the British North America Act, 1867, appertain to the General Government, and as are or may be allowed to the other Provinces.

CANADA.

11. No exceptional tax shall be imposed on any of the exports of Newfoundland.

12. Newfoundland shall in case the union take place, previous to the next census in the year 1871, be entitled to be represented by eight members in the House of Commons, and thereafter the representation shall be subject to the provisions of the British North America Act, 1867.

13. The union shall take effect on such day as Her Majesty, by Order in Council, on an Address to that effect, in terms of the 146th section of the British North America Act, 1867, may direct, and Newfoundland may in such Address specify the divisions, if any, for which any of the four Senators to which that Colony is entitled shall be named; the electoral district for which, and the time within which, the first election of Members to serve in the House of Commons in Canada shall take place.

14. The Constitution of the Executive Authority and of the Legislature of Newfoundland shall, subject to the provisions of the said Act, continue as they exist at the union, until altered under the authority thereof.

15. The provisions in the aforesaid British North America Act, 1867 shall—except those parts thereof which are in terms made or by reasonable intendment, may be held to be specially applicable to, and only affect one and not the whole of the Provinces now composing the Dominion, and except so far as the same may be varied by the Resolutions—be applicable to Newfoundland, in the same way, and to the like extent, as they apply to the other Provinces of the Dominion, and as if the Colony of Newfoundland had been one of the Provinces originally united by the said Act.

The House of Commons of Canada, having in the present Session of the Parliament of the Dominion passed an Address to Your Majesty, praying that Your Majesty would be graciously pleased, by and with the advice of Your Most Honourable Privy Council, under the provisions of the 146th section of the British North America Act, 1867, to admit Newfoundland into the Union or Dominion of Canada, on the terms and conditions set forth in the above-mentioned Resolutions:

Wherefore we, the Senate of Canada, fully concurring in the terms and conditions expressed in the Address of the House of Commons, humbly pray that Your Majesty will be pleased, by and with the advice of Your Most Honourable Privy Council under the provisions of the 146th section of the British North America Act, 1867, to admit Newfoundland into the Dominion of Canada."

The Senate, Tuesday, 15th June 1869.

(Signed.) JOSEPH CAUCHON, Speaker.

Enclosure 4.

Enclosure 4.

To the Queen's most Excellent Majesty.

MOST GRACIOUS SOVEREIGN,

WE Your Majesty's most dutiful and loyal subjects, the House of Commons of the Dominion of Canada in Parliament assembled, humbly approach Your Majesty for the purpose of representing:

That during the present Session of Parliament, we have taken into consideration the subject of the admission of the Colony of Newfoundland into the Union or Dominion of Canada, and have resolved that it is expedient that such admission should be effected at as early a date as may be found practicable under the 146th Section of the British North America Act of 1867, on the conditions herein-after set forth, which have been agreed upon with the delegates from the said Colony, that is to say:—

That Canada shall be liable for the debts and liabilities of Newfoundland existing at the time of the Union.

That for the purpose of placing the interest on the public debt of Newfoundland on the same footing as that of the other Provinces, Canada will, on the request of the Lieutenant Governor and Council of Newfoundland, make arrangements to substitute in lieu of the existing securities which now represent the public debt of Newfoundland the bonds or stock, either of the late Province of Canada or of the Provinces of New Brunswick or Nova Scotia, issued before the 1st July 1867, and will further endeavour to provide that the securities of Newfoundland shall be placed on the same footing as those of the other Provinces as investments in which the sinking funds of any portion of the debts for which Canada is now responsible, may be made.

That Newfoundland not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive by half-yearly payments in advance from the General Government, interest at the rate of 5 per cent. per annum on the difference between the actual amount of its indebtedness and the indebtedness per head of the population of Nova Scotia and New Brunswick, the population of Newfoundland being estimated at 130,000.

That in consideration of the transfer to the Parliament of the Dominion of the powers of taxation, the following sums shall be paid yearly by Canada to Newfoundland for the support of its Government and Legislature, to wit, \$35,000, and an annual grant equal to 80 cents. per head of the aforesaid population, both half yearly in advance, such grant of 80 cents per head to be augmented in proportion to the increase of population, as may be shown by each subsequent decennial census, until the population amounts to 400,000, at which rate such grant shall thereafter remain, it being understood that the first census shall be taken in the year 1871.

That in consideration of the transfer to the General Government by Newfoundland of the now ungranted and unoccupied lands, mines and minerals of the Colony the sum of \$150,000 shall each year be paid to Newfoundland by semi-annual payments in advance; and the Colony shall retain the right of opening, constructing, and controlling roads and bridges through any of the said lands and the privilege heretofore enjoyed by the inhabitants of Newfoundland of cutting (free of charge) wood on the ungranted lands of the Crown, shall continue to be exercised by them in like manner free of charge, but the aforesaid reservations shall be subject to such regulations as may from time to time be passed by the Lieutenant-Governor of Newfoundland in Council, and which regulations shall be

6 ADDRESSES FROM THE PARLIAMENT OF CANADA, &c.

CANADA.

subject to the approval of the Governor General in Council. Such surrender shall also be subject to the reservations and provisoes contained in the 7th and 8th sections of the Act of the Legislature of Newfoundland, 7 Vic. cap. 1, but these shall in like manner be at all times subject to approval as aforesaid.

That it shall be optional, however, for Newfoundland before entering the Union, to reserve to itself all the lands and rights conveyed to the General Government by the last preceding clause, and in that case Canada shall be relieved of the payment of the aforesaid sum of \$150,000 per annum.

That the encouragement, benefits, and protection accorded by the Dominion to fisheries in other parts thereof shall be extended to the fisheries of Newfoundland, and unless Parliament shall make other provision, the provisions of the Act of the Legislature of Newfoundland, 31 Vic. cap. 1, sec. 3, shall remain in force.

That in addition to the present local water rates and assessments in the town of St. John, the water dues now paid by vessels entering that harbour as well as the present duty on coal entering the said harbour shall be available to Newfoundland and be applied in reduction of the interest for which Newfoundland is now responsible in respect of its liability toward the General Water Company. Such duties on coal and water dues shall be subject to adjustment from time to time by the Legislature of Newfoundland. On an address of such Legislature to that effect the general Government will issue bonds bearing interest at 5 per cent. per annum, maturing not less than 15 years from the dates thereof to be delivered to the Government of Newfoundland for the purpose of funding the aforesaid liability to the said General Water Company. On a like address the Dominion Government will also issue bonds to fund the liability contracted in respect of the Harbour Grace Water Company, all such sums being charged to Newfoundland as part of its debt.

That the Dominion will provide an efficient Mail Service between the present Dominion, Newfoundland, and the United Kingdom, by steamers adapted and giving adequate facilities for the conveyance of passengers and cargo.

The obligations of Newfoundland with respect to the present Mail Service between Newfoundland and Halifax, will be undertaken by the Government of the Dominion, and on the expiry of existing arrangements other provision will be made for maintaining the services in a manner equally advantageous to Newfoundland.

Efficient coast steam service, including Labrador, in connexion with the Post Office, will be established, and maintained by the Government of the Dominion.

That Canada will assume and defray the charges of the following services :

Salary of the Lieutenant Governor.

Salaries and allowances of the Judges of the Superior Court, the Judges of District Courts, and Labrador Judge and Bailiff.

The Charges in respect of the Department of Customs.

Postal Department.

Protection of Fisheries.

Provision for Volunteer, Militia, and Naval Brigade Force.

Light-houses, Shipwrecked Crews, Quarantine, and Marine Hospitals.

The Surveyor General and his Staff (in case the lands shall be transferred.)

The Geological Survey.

The Penitentiary.

And such further charges as may be incident to and connected with the services which by the British North America Act, 1867, appertain to the General Government, and as are or may be allowed to the other Provinces.

That no exceptional tax shall be imposed on any of the exports of Newfoundland.

That Newfoundland shall, in case the union takes place previous to the next census, in the year 1871, be entitled to be represented by eight members in the House of Commons, and thereafter the representation shall be subject to the provisions of the British North America Act, 1867.

That the union shall take effect on such day as Her Majesty, by Order in Council, on an Address to that effect in terms of the 146th section of the British North America Act, 1867, may direct, and Newfoundland may, in such Address specify the divisions, if any, for which any of the four senators to which that Colony is entitled, shall be named, and the electoral districts for which, and the time within which the first election for members to serve in the House of Commons in Canada shall take place.

That the constitution of the Executive Authority, and of the Legislature of Newfoundland shall subject to the provisions of the British North America Act, 1867, continue as they exist at the Union, until altered under the authority of the Act.

That the provisions in the British North America Act, 1867, shall, except those parts thereof which are in terms made, or by reasonable intendment may be held to be specially applicable to, and only to affect one, and not all the Provinces now composing the Dominion, and, except so far as the same may be varied by the provisions herein, may be applicable to Newfoundland in the same way and to the like extent as they apply to the other Provinces of the Dominion, and as if the Colony of Newfoundland had been one of the Provinces originally united by the said Act.

We, therefore, humbly pray, that Your Majesty will be graciously pleased, by and with the advice of Your Majesty's Most Honourable Privy Council, under the provisions of the 146th Section of the British North America Act, 1867, to admit Newfoundland into the Union or Dominion of Canada, on the terms and conditions herein-after set forth.

(Signed) JAMES COCKBURN, Speaker.

House of Commons, Ottawa, 10th June 1869.

L O N D O N :

Printed by GEORGE E. EYRE and WILLIAM SPOTTISWOODE,
Printers to the Queen's most Excellent Majesty.
For Her Majesty's Stationery Office.

CANADA DEFENCES.

RETURN to an Address of the Honourable The House of Commons,
dated 20 July 1870 ;—for,

COPY “of an ACT of the LEGISLATURE of *Canada* to make Provision for defraying the EXPENSE of certain WORKS of FORTIFICATION required for the DEFENCES of the DOMINION.”

ANNO TRICESIMO PRIMO VICTORIÆ REGINÆ.

CAP. XLI.

AN ACT to make provision for defraying the Expense of certain Works of Fortification required for the Defence of the Dominion.

[Assented to, 22nd May 1868.]

Most Gracious Sovereign,

WE, Your Majesty's dutiful and loyal subjects, the Commons of Canada in Parliament assembled, having taken into consideration the Message of his Excellency the Governor General, bearing date the first day of May in the year of Our Lord one thousand eight hundred and sixty-eight, recommending that provision should be made to the amount hereinafter mentioned, to defray the expense of constructing certain Works of Fortification for the defence of the Dominion, and having resolved to make such provision, and for that purpose to grant to Your Majesty the sums hereinafter mentioned,—do most humbly beseech Your Majesty that it may be enacted, and be it enacted, by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, that—

1. It shall be lawful for the Governor in Council to authorise the raising by way of loan, upon the guarantee of such loan or of the interest thereon by the Commissioners of Her Majesty's Treasury, of such sums not exceeding in the whole the sum of one million one hundred thousand pounds sterling, as may be necessary for the purposes hereinafter mentioned; and the sums so raised, with the interest thereon, shall be a charge on the Consolidated Revenue Fund of Canada, next after the appropriation for the construction of the Intercolonial Railway, as shall also such sums as may be necessary to repay the said loan, either by way of a sinking fund not exceeding one per centum per annum on the principal sum so raised, or in such other way and subject to such conditions as the Governor in Council, with the assent of the Commissioners of Her Majesty's Treasury, may agree upon and determine.

Preamble.
 Power to raise loan of 1,100,000 £ sterling for the purposes of this Act.
 How to rank on Consolidated Revenue Fund, &c.
2. It shall be lawful for the Governor in Council, from time to time, to authorise the payment out of the sums to be raised under the authority of this Act, of such sums as may be necessary to defray the expense of constructing works of fortification for the defence of the city of Montreal and other cities and places west of Montreal, and for the defence of the city of St. John, in the Province of New Brunswick; such works of defence to be public works within the purview of the Act of the present Session, intituled, “An Act respecting the Public Works of Canada,” and to be constructed under the provisions of the said Act.

Works to be constructed under this Act.
 To be Public Works under 31 Vict. c. 12.
3. A detailed account of all moneys raised and expended under the authority of this Act, shall be laid before the House of Commons during the first fifteen days of the Session of Parliament next after they are so raised or expended.

Accounting clause.

CANADA DEFENCES.

COPY of an ACT of the LEGISLATURE of *Canada*
to make PROVISION for defraying the EXPENSE
of certain WORKS of FORTIFICATION required
for the DEFENCES of the DOMINION.

(*Mr. Monk.*)

Ordered, by The House of Commons, to be Printed,
20 July 1870.

DOMINION OF CANADA.

COPY OF A DESPATCH

FROM

THE EARL GRANVILLE, K.G.,

TO

GOVERNOR-GENERAL THE RIGHT HON. SIR JOHN YOUNG, BART., K.C.B.,

RESPECTING

THE RECENT FENIAN RAID INTO CANADA.

Presented to both Houses of Parliament by Command of Her Majesty,
25th July, 1870.

No. 178.

Downing Street,
5th July, 1870.

SIR,

I HAVE the honour to acknowledge the receipt of your Despatch, No. 132, of the 9th ultimo, with its enclosures, relating to the recent Fenian raid.

I have read with sustained interest the graphic accounts given by Colonel Smith and Colonel Bagot of the two affairs which resulted in the repulse and route of the Fenians on the Missisquoi and Huntingdon frontiers. I have sincere pleasure in acknowledging the conduct of the officers, the courage, alacrity, and discipline of the Volunteers and Militia, and the zeal and helpful enthusiasm of the farmers and country people on both the points of attack.

The discredit and ridicule attaching to these marauders on account of their signal overthrow when they had scarcely crossed the frontier must cripple, if not utterly destroy, the means of re-organizing expeditions as wicked and unjustifiable in their conception as they have proved to be feeble and unsuccessful in their execution. The genuine admiration of the spirit and behaviour of the Canadian levies which pervades the reports of Colonel Smith and Colonel Bagot is the best evidence that their easy success is not so much due to the character of their opponents as to the intrinsic qualities of the Canadians, the promptitude, courage, and intelligence which make individuals distinguished and a nation great.

The Right Honourable Sir John Young, Bart.
&c. &c. &c.

I have, &c.,
(Signed) GRANVILLE.

LONDON:

PRINTED BY WILLIAM CLOWES AND SONS, STAMFORD STREET AND CHARING CROSS,
FOR HER MAJESTY'S STATIONERY OFFICE.

[C.—185.] Price ½d.

CANADA RAILWAY LOAN ACT (1867).

RETURN to an Address of the Honourable The House of Commons,
dated 26 April 1870;—for,

“COPY of any DESPATCH or DESPATCHES from the Colonial Office to the Governor General of *Canada* containing the OPINION or OPINIONS of the LAW OFFICERS of the CROWN respecting the Investment of MONEY raised under the Authority of the CANADA RAILWAY LOAN ACT (1867).”

Colonial Office, }
17 May 1870. }

W. MONSELL.

(*Mr. Monk.*)

Ordered, by The House of Commons, to be Printed,
18 May 1870.

SCHEDULE.

DESPATCHES FROM THE GOVERNOR.

No. in Series.	Date and Number.	SUBJECT.	Page.
1	30 May 1869 - (No. 56.)	Transmits an approved Minute of the Privy Council of the 29th May 1869, and also a Memorandum by the Minister of Finance with reference to the measures adopted by the Canadian Government to provide temporary investment of the money raised under the Imperial guarantee, until it shall be required for actual outlay - - - - -	1
2	20 June 1869 - (No. 67.)	Forwards a Minute, dated 18th June 1869, adopted by the Privy Council of Canada, deprecating the construction which has been placed on their action, as well as objecting to the opinions expressed, and the instructions given in the premises by Her Majesty's Government - - - - -	4
3	24 June 1869 - (No. 70.)	Adverting to the Minute of the 27th August 1868, encloses Correspondence respecting the Intercolonial Loan, and Minutes of Council of the 29th May and 18th June. These documents furnish, on the part of the Privy Council of Canada, replies to the queries, as to what extent, and in what way, the loan had been employed, and contain the observation which Mr. Rose and his colleagues offer as the explanations of the course they have pursued - - - - -	10
4	28 October 1869 (No. 112.)	Transmits Minute of the Privy Council of 12th August 1869, enclosing Minute of the Treasury Board, dated 11th August, on the subject of the Intercolonial Railway Loan - - -	11
5	30 October 1869 (No. 117.)	Forwards a Minute of the Privy Council of Canada, dated 2nd October 1869, respecting the investment of the Intercolonial Railway Money - - - - -	15
6	22 Dec. 1869 - (No. 133.)	Explains how the delay in forwarding the Minute of Council of 12th August occurred - - - - -	17
7	Telegram (Received 20 April 1870).	Has requested Sir F. Hinck's to give a correct version of his remarks, and the Ministers to furnish a statement of the present position of Intercolonial Railway Loan Funds - - -	18
8	21 April 1870 - (No. 79.)	With reference to Earl Granville's telegram of the 18th April, encloses a statement, furnished by Sir Francis Hincks, respecting the investment of the loan - - - - -	18

DESPATCHES FROM THE SECRETARY OF STATE.

1	1 June 1869 - (No. 97.)	Requests to be informed to what extent, and in what way, the loan has been employed under the authority of the Minute of 27th August, and instructs the Governor to refuse his concurrence in any mode of dealing with the money remaining in the hands of the Government other than that of investment property so called. Would be glad to receive from Mr. Rose any observations respecting the Minute of 27th August, which he may consider calculated to remove the strong objections which at first sight attach to it - - - - -	21
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No. in Series.	Date and Number.	SUBJECT.	Page.
2	8 July 1869 - (No. 129.)	Acknowledges Despatch, No. 67, of 20th June, in relation to Lord Granville's Despatch, No. 97, of 1st June, relating to the disposal of moneys raised under Imperial Guarantee. Requests Sir John Young to assure his Advisers that his Lordship never had any intention to call in question the financial integrity of the Dominion of Canada, still less the personal honour of Mr. Rose and his colleagues. Encloses two opinions of the Law Officers of the Crown, sought and given with no unfriendly feeling towards the Canadian Government, and expresses an opinion as to the propriety of placing the money in the shape of a distinct fund - - - - -	21
3	30 Nov. 1869 - (No. 216.)	Acknowledges Despatch, No. 112, of the 28th October, enclosing a Minute of the Privy Council, of 12th August, on the subject of the Intercolonial Railway Loan. This being a subject of much interest to the Imperial Government, his Lordship would have been glad to have received the Minute at an earlier date - - - - -	23
4	15 Jan. 1870 - (No. 12.)	With reference to the delay in forwarding the Minute of the 12th August, states that Sir J. Young's Despatch, No. 103, of the 22nd December, furnishes a full and complete explanation of the delay - - - - -	23
5	19 April 1870 - (No. 93.)	Forwards copy of Telegraphic Despatch sent to Sir John Young on the 18th April:—"Early explanation requested of Statement by Minister of Finance in Budget Speech; that Law Officers' opinion as to Railway Loan will not be followed" - - - - -	24

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND
SIR JOHN ROSE, K.C.M.G.

No. in Series.	From whom.	SUBJECT.	Page.
1	Colonial Office, 10 May 1870.	As it is proposed shortly to lay before Parliament certain Papers relating to the investment of the Intercolonial Railway Loan, Lord Granville would be glad to be furnished with any statement with regard to the actual expenditure and progress of the Railway works, and of the obligations assumed up to the present time, which Sir John Rose, from his intimate knowledge of the subject, may be able to supply - - - - -	24
2	Sir John Rose, 12 May 1870.	Forwards a statement of the progress of the Intercolonial Railway, of the expenditure on it, and the obligations assumed up to the present time, in compliance with the letter of Sir Frederic Rogers of the 10th May - - -	24

COPY of any DESPATCH or DESPATCHES from the Colonial Office to the Governor General of *Canada*, containing the OPINION or OPINIONS of the LAW OFFICERS of the CROWN respecting the Investment of MONEY raised under the Authority of the CANADA RAILWAY LOAN ACT (1867).

Despatches from the Governor.

— No. 1. —

(No. 56.)

COPY of a DESPATCH from Governor General the Right Honourable Sir *John Young*, Bart., G.C.B., to The Earl *Granville*, K.G.

Ottawa, Canada, 30 May 1869.

(Received, 14 June 1869.)

My Lord,

I HAVE the honour to enclose, for your Lordship's information, an approved Minute of the Privy Council, relative to the measures adopted by the Canadian Government to provide temporary investment for the money raised under Imperial guarantee for the construction of the Intercolonial Railway.

I have, &c.
(signed) *John Young*.

No. 1.
Governor General
Sir John Young,
Bart., G.C.B., to
Earl Granville, K.G.
30 May 1869.

Enclosure in No. 1.

COPY of a REPORT of a Committee of the Honourable the Privy Council of Canada, approved by His Excellency the Governor General on the 29th May 1869.

Encl. in No. 1.

THE Committee have had under consideration the annexed Memorandum from the Honourable the Minister of Finance, having reference to the measures adopted by the Canadian Government to provide temporary investment for the money raised under the Imperial guarantee for the construction of the Intercolonial Railway, until it should be required for actual outlay, and they respectfully report their entire concurrence in the statements made and the views expressed in the said Memorandum; and advise that a copy thereof be transmitted by your Excellency to the Right Honourable the Secretary of State for the Colonies, for the information of Her Majesty's Government.

Certified,
W. A. Hinsworth,
Assistant Clerk, Privy Council.

Sub-Enclosure in No. 1.

THE Minister of Finance has had his attention called to an inquiry in the House of Commons, whether the Governor General has approved of a "Recommendation of Council, that money raised under the Imperial guarantee, for the construction of the Intercolonial Railway, should be applied to the payment of the general debts of the Canadian Dominion, and whether such application is not in contravention of the Canadian Railway Loan Act, 1867;" and he thinks it proper to call your Excellency's attention to the circumstance in order that the imputation which is impliedly made on the good faith of the Government may be promptly repelled.

Sub-Encl. in No. 1.

1. The Act of Union provided that "it shall be the duty of the Government and Parliament of Canada, to provide for the commencement, within six months after the Union, of a railway connecting the River St. Lawrence with the city of Halifax, in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed."

The Government felt it to be their duty to carry out this provision of the constitution with all possible diligence. A great portion of the route had been so far surveyed in former years that it was believed it could be placed under contract in the course of last summer or autumn.

2. It was, however, necessary, before doing this, to place the loan; and the Finance Minister, in the course of his negotiations with the Imperial Government in July 1868, intimated that he would only raise one-half the authorised amount until the progress of the works made it necessary to provide the remainder.

3. In the course of negotiations with the financial agents, Messrs. Baring and Glyn, the Finance Minister endeavoured to postpone the payments on the loan to as remote a day as possible; but it was thought that it would militate against the success of the operation if the last instalments were deferred beyond April 1869, or if the privilege of paying by anticipation were not accorded to the subscribers.

4. When the loan was contracted for, a considerable number of the subscribers availed themselves of this option, and a large amount of money was paid in by anticipation.

As interest on the entire loan of two millions (three-fourths bearing four per cent., and one-fourth bearing five per cent.) began in July 1868, and was payable by Canada from that day, it became the obvious duty of the Government so to place the money received as that an undue loss of interest might be avoided.

5. The Minister of Finance accordingly requested Messrs. Baring and Glyn, the financial agents, to endeavour to do so at the best rates they could, "compatible with perfect security and immediate convertibility;" but these gentlemen informed the Government that in the present state of the money market, and consistently with these conditions, they could not obtain a higher rate of interest than one per cent. per annum.

Had they been able to have placed the deposits at any reasonable rate, the Government would have been relieved from the necessity of seeking other means of temporarily employing the instalments.

6. Under the circumstances mentioned, the Government had, however, to consider what other means, on the like conditions of immediate convertibility and perfect security, were open to them as a temporary investment.

7. The Government of Canada was, at that time, about issuing securities to provide for certain engagements of the Dominion which it was desirable to fund or otherwise meet; and it was considered that no better or more perfect security than those adverted to could be provided in which to place a portion of the moneys, lying comparatively unproductive, until these moneys were required to be disbursed to the contractors on the works.

8. The Government had not ceased to urge the completion of the surveys with all possible speed, and they endeavoured to push on the letting of the works as rapidly as possible. All the sections, on which the location surveys were sufficiently advanced, were accordingly let last winter by public tender. They are seven in number, 162 miles in length, and the cost is estimated at 5,000,000 dollars. On these sections operations are being actively prosecuted, and the contractors are entitled to payment as the works proceed.

9. The engineers have been continually engaged in locating the remaining sections, and these will be placed under contract as rapidly as possible. On one portion of the route a railway had been already built by a private company, about 36 miles in length. The propriety of acquiring this line, and making it a portion of the Intercolonial, was always contemplated as a possibility, and if the negotiations having that object in view, which began some time ago, are concluded, it will involve an immediate large cash outlay, in addition to the payment of the current works, out of the Intercolonial Fund.

10. It will thus be seen that the most energetic steps were taken from the outset to accelerate the progress of the works, and that the Government are not open to the suspicion of having deferred their prosecution for one hour, but that on the contrary they have endeavoured to carry out, with the utmost promptitude and good faith, the obligations entailed upon them by the Act of Union, with reference to the Intercolonial Railway.

11. It may be asked why the loan could not have been postponed for some months, or a less amount issued, inasmuch as it now appears that the whole of the money will not be spent for some time? To this inquiry there are obvious and conclusive answers. The Government could enter into no contracts, nor negotiate for the acquisition of any intermediate portion of the line, until they saw that the money was available. A considerable sum had actually been spent on surveys, &c. &c., by anticipation. The money market was then unusually favourable, and it might have been a most serious matter, in a pecuniary point of view, to the Dominion, if the loan had been deferred until a condition of things arose which might have entailed on Canada the payment for 35 years of a higher rate of interest. The financial agents of the Government considered the time unusually opportune. Her Majesty's Government were in full possession of all the circumstances, and gave their
unqualified

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unqualified consent to the operation on the terms and to the extent to which it was carried out.

12. The Government of Canada had therefore, under these circumstances, to deal with the alternative, of allowing the large deposits to remain unproductive and entail a loss of about 350,000 dollars a year; or of placing them temporarily, and in a way that would be available as the money was required for actual outlay.

It was not unnaturally to be supposed, that if the Imperial Government had sufficient confidence in Canada, to guarantee or endorse her bonds, that confidence also extended to trusting her with the outlay of the money on the work for which it had been raised; a work which was declared to be essential to the consolidation of the Union of British North America, and a condition of the assent thereto, of Nova Scotia and New Brunswick; and one to the completion of which the good faith and interest of every Province of the Dominion were pledged.

If the Imperial Government had conveyed the intimation that Canada could not be entrusted with the money for the prosecution of its own works, or had sought to impose restrictions on its outlay, which would necessarily have presupposed that distrust, the Finance Minister believes it would have been the unanimous opinion of the people of Canada, that the guarantee of Her Majesty's Government to the loan, however highly they might have prized the granting of it, and however advantageous it might have been, ought not to have been accepted on such a condition.

13. The meaning of the inquiry made in the House of Commons plainly is, that, under the pressure of financial necessity, Canada used the Intercolonial money; if indeed the inquiry be not meant to convey the imputation that Canada raised the loan prematurely with that object. The Minister of Finance believes it to be his duty to repel an insinuation which would be alike unworthy of the Government, as it would be utterly opposed to the character for good faith and straightforward integrity which the people of every Province of the Dominion have justly earned, and for the maintenance of which they have ever held the representatives in whom they place confidence to a strict observance.

14. It is only necessary to advert to the financial condition of Canada at the time, to prove how irreconcilable with the actual facts such a supposition is.

It is true that there was a certain amount of floating liability due by the Dominion, but only to its fiscal agents in London; its bankers in Canada, and a small amount to one of the Provinces of the Dominion.

This liability, so far from being pressing, was one which the public creditor would have too gladly allowed to remain, but the Government thought it proper to make provision for its gradual funding, partly out of deposits in the Government savings banks; partly out of deposits required from insurance companies, under the law, and by other equally certain means. Had they been disposed to place a loan for the purpose on the market, it could have been successfully accomplished without any difficulty; for the only loan issued since the Union (except the Intercolonial) was promptly taken up in Canada; the six per cent. stock being now readily saleable and in continued demand at a premium of eight to nine per cent.; and the Government has been compelled to decline repeated applications for further issues.

A certain amount of bonded debt also fell due last autumn, for which ample provision had been made, but the great bulk of the holders expressed in advance their wish either to renew it or convert it into the Dominion Stock already mentioned; an offer which the Government thought it proper in the public interest to decline.

15. It is unnecessary to say more to prove how unfounded any imputation is that the motive of financial necessity had any part whatever in inducing the arrangements with reference to the temporary investment of the Intercolonial money, or to show that the Government was influenced solely by the one single consideration of finding a temporary investment for it, on the condition of perfect security and immediate convertibility, by which a heavy loss of interest might be avoided.

In carrying this out, the Government took unwonted and exceptional precautions in order that by no possibility whatever might there be any doubt that the money borrowed would be as safe and as immediately available as it would have been were it deposited at call in the Bank of England.

16. Some of these precautions are indicated in general terms in the Order in Council, approved of by his Excellency the Governor General in August last, a copy of which, with the accompanying report of the Minister of Finance, it is presumed, was transmitted to the Secretary of State for the Colonies by his Excellency.

The Minister of Finance is not aware that any exception has ever been taken to the arrangements so made.

17. It is proper briefly to recapitulate the means immediately and prospectively available to the Government of Canada for the purposes above mentioned.

a. The Government have a cash balance in the hands of their bankers of upwards of 2,750,000 dollars, a portion of which they are now endeavouring, though so far unsuccessfully, to place on special deposit at interest.

b. They have a further special deposit with their bankers, at 4 per cent. interest, of 1,500,000 dollars.

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c. They

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c. They have in the hands of Messrs. Baring and Glyn an amount estimated by the last advices at 2,900,000 dollars.

d. They have India Bonds in the hands of Messrs. Baring and Glyn worth about 750,000 dollars.

e. They have preferential securities, of undoubted value, payable in 1, 2, 3 and 4 years from January last, with interest, of the Great Western Railway Company of Canada, amounting to 2,750,000 dollars.

f. They have receipts from the Post Office Savings Bank, which since their establishment have averaged about 50,000 dollars per month, and which in the course of the next year are estimated (beyond the cash in hand) at 600,000 dollars.

g. They have deposits by insurance companies of consols, stocks, and bonds, about to be converted into cash within two years, of 1,500,000 dollars.

h. They have purchased bonds, in anticipation of the requirements of the Intercolonial Sinking Fund, to about 270,000 dollars.

i. They have provided, over and above the foregoing means, special credits with the bankers and financial agents of the Government for the express purpose of meeting any possible call on Intercolonial account, to wit, with

Messrs. Baring and Glyn, 1,250,000 dollars.

The Bank of Montreal, 2,500,000 dollars.

18. It will thus be seen that the statement of having applied the money raised under the Canada Loan Act, 1867, in payment of the general debts of the Dominion in contravention of that Act, is without a shadow of foundation.

The credit of the Dominion of Canada stands too well to render the recourse to any indirect or unworthy means for the payment of her debts necessary, and she prizes her reputation for good faith too highly to resort to them. Canada has but to offer her own securities to her own people, or on the London money market, as she may think most for her advantage, to find whatever means are needed for the maintenance of the public credit, or for the prosecution of enterprises which her people think can be prudently and advantageously undertaken. And while her obligation to complete the Intercolonial Railway will be fulfilled to the letter, she claims the right of making such subsidiary arrangements, whether in regard to the loan or the works themselves, as her own interests may require.

19. Her Majesty's Government has hitherto extended a most generous confidence to Canada in connection with all the antecedent negotiations on this subject, and she has no reason to believe that in future that confidence will be abridged. This feeling induced the Minister of Finance to recommend to his Excellency the propriety of making the extraordinary and unwonted provisions already referred to; provisions which under ordinary circumstances need nor have been made, and it now impels him to submit these observations for your Excellency's consideration, in order that Her Majesty's Government may have the means of justifying the confidence which in this matter as in all others they have invariably reposed in the good faith of the inhabitants of British North America.

It is the duty of Canada to see that the amount of the loan is faithfully expended on a work in which Her Majesty's Government and the Dominion have confessedly a common interest. Of that duty Canada is fully sensible, and it will be performed with the most exact integrity.

John Rose, Minister of Finance.

Ottawa, 29 May 1869.

— No. 2. —

(No. 67.)

No. 2.
Governor General
Sir John Young,
Bart., G.C.B., to
Earl Granville, K.G.
20 June 1869.

COPY of a DESPATCH from Governor General the Right Honourable Sir
John Young, Bart., G.C.B., to The Earl Granville, K.G.

Ottawa, 20 June 1869.

(Received, 5 July 1869.)

(Answered, No. 129, 8 July 1869, p. 21.)

My Lord,

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch of the 1st June instant, No. 97,* and to transmit, in reference thereto, a Minute adopted by the Privy Council of Canada, deprecating the construction which has been placed on their action, as well as objecting to the opinions expressed and the instructions given in the premises by Her Majesty's Government.

I have, &c.

(signed) *John Young.*

Minute of date
18 June 1869.

* Page 21.

CANADA RAILWAY LOAN ACT (1867).

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Enclosure in No. 2.

COPY of a MINUTE of the Queen's Privy Council for *Canada*, adopted 18 June 1869.

Encl. in No. 2.

May it please Your Excellency,

THE Privy Council have had under consideration the Despatch of the Secretary of State for the Colonies, under date of the 1st June, on the subject of the Intercolonial Railway Loan, which was referred to them by your Excellency, and have now the honour to report as follows:—

The Secretary of State wishes to learn from your Excellency to what extent the Loan has been employed under the authority of the Minute of Council of the 27th August last, and conveys his instructions to refuse concurrence in any mode of dealing with the money other than that of investments, properly so called; and he desires to receive from the Minister of Finance any observations respecting the Minute in question which he may consider calculated to remove the strong objections which in the opinion of the Secretary of State at first sight attach to it.

Your Excellency's Advisers, while they will most readily afford the amplest information on the subject of the Loan, and respecting the manner in which it has been dealt with, would desire at the outset to say that they are all equally responsible with the Minister of Finance for the arrangements, as well touching the Loan as for the subsequent employment of any part of the moneys; that they participated in recommending to your Excellency's predecessor the course which was taken with reference to it, and they cannot recognise the principle of permitting one of your Advisers to be charged with a special measure of responsibility, or to be individually called on to account for acts which they collectively approved.

On the subject of the alleged temporary application of the money to the purpose of defraying the general debts of the Dominion, your Excellency's Advisers would say that the facts are so fully set forth in the Minute of Council approved of by your Excellency on the 29th May last, that it would be superfluous to repeat them here. They cannot but believe that the explanations given in that Minute will be satisfactory to Her Majesty's Government, and that the Despatch now under review was written without a full cognizance of all the circumstances connected with the proposed possible temporary investment of a portion of the money.

It may not be unadvisable, however, again to call attention to the fact, that the Intercolonial Loan Act provided that Canada, and not the Imperial Government, should raise the Loan; that the duty of determining the mode in which the road should be constructed devolved wholly on Canada; that she has accordingly provided, with the sanction of the Imperial Government, that the work shall be done by a Commission appointed by Canada, and responsible only to the Government and Parliament of Canada.

It is further required that Canada shall provide for the raising, appropriation, and expenditure of the money; and by the Act of the Canadian Parliament, it is provided that payment for the works shall be made by the Receiver General to the Commissioners, in such way as the Governor in Council may direct.

The only reservations which Her Majesty's Government would appear to have considered it necessary to make in the Intercolonial Railway Act, were, that the interest on the guaranteed portion of the Loan should be a charge on the Consolidated Revenue of Canada in a specified order; that provision should be made for a sinking fund, which might be invested in securities either of the Province of Canada, Nova Scotia, or New Brunswick, issued before the Union.

The whole scope of the legislation, as well of the Imperial as of the Dominion Parliament, shows that it was intended to impose on Canada the entire responsibility of raising and managing the Loan for constructing the road. In this essential feature it is in direct variance with the former guaranteed Loan of 1842, which was raised not by Canada but by the Imperial Government itself, and managed by it; whereas in the present case, the Imperial Parliament would appear to have purposely dissociated Her Majesty's Government from all connection either with the work itself, the raising of the loan, or the management of the fund. So implicit indeed would the confidence in Canada appear to have been, that it was provided that the sinking fund might be invested in the securities of the Dominion, thus practically accepting the credit of Canada as the sole security, not only for the construction of the work, but for the ultimate repayment of the money.

The negotiations attending the Loan in July last were conducted obviously in the spirit of this legislation. Her Majesty's Government wished only to reserve their approval of the route before endorsing the bonds.

It was thought proper, however, that the proposed terms of the Loan should, in the minutest particulars, be communicated to Her Majesty's Government, exhibiting the amount proposed to be raised, the mode and time of paying the instalments, and even the form of bonds to be issued. It was at that time perfectly apparent that the moiety of the Loan which was then raised would not all be required for a considerable interval of time, inasmuch as the sanction of Her Majesty's Government had only then been given to the route; until which sanction no contracts could be entered into, or outlay incurred.

The Privy Council would invite attention to the fact that although every detail was in possession of Her Majesty's Government, no objection whatever was made to the terms so

proposed;

proposed; it was not suggested that the Loan was premature or needlessly large, nor did they on any occasion express any wish whatever to participate in controlling or managing the appropriation of the moneys in the interval. That duty had beyond all question been delegated to Canada alone.

If Her Majesty's Government had evinced a confidence in Canada more limited than Parliament had reposed, or, by seeking to interpose a joint control, had exhibited a distrust either of the credit of Canada or of its good faith in expending the money on the works as rapidly as they could be pushed forward, the duty of your Excellency's advisers would have been plain; they could not have accepted the guarantee on these terms.

But no such distrust was ever suggested, nor the faintest wish expressed on the part of Her Majesty's Government, to direct the temporary administration of the money.

If any suggestions in the spirit of extending co-operation or advice, as to providing temporary employment for the instalments had been made on the part of Her Majesty's Government, they would then, as now, have received fitting appreciation.

The Privy Council cannot but regret that after arrangements conducted in this spirit have been completed, and after the entire responsibility of managing the funds has been thrown on Canada, your Excellency should now, for the first time, be called upon to interpose your authority for the purpose of refusing your concurrence in the mode of dealing with the money, which the Canadian Government have deemed it expedient to adopt.

Your Excellency's advisers have throughout these negotiations been perfectly unreserved with her Majesty's Government, and have, besides, taken the promptest and most energetic steps to further the prosecution of the work.

It is unnecessary to repeat the circumstances attending the contemplated temporary investment of a portion of the money, or the extreme precautions which the Minister of Finance took to provide for its immediate return, in case it was deemed advantageous to invest any portion of it in the securities of the Dominion.

These precautions were dictated by a desire to provide for contingencies, which, though within the range of possibility, were not reasonably to be anticipated, and to guard against any possible loss to Canada, in replacing the money, should circumstances make it more for her interest to use for a time a portion of the receipts of the Intercolonial Loan, lying unproductive and idle, rather than have recourse to the other means which were always available, and which Canada has always at command to meet any temporary drafts on the Treasury.

In compliance with your Excellency's wishes, the Privy Council have caused a statement to be made showing the extent to which that portion of the Intercolonial Loan guaranteed by Her Majesty's Government may be considered to have been drawn on.

It is proper to state that all the receipts from Loans and from other sources, go into the ordinary cash balances in the hands of the bankers and fiscal agents of the Dominion, out of which all calls are met, and it cannot therefore be said, in strictness, that any portion of such balances has been specifically used for one purpose or another.

In former statements it has been assumed that the Intercolonial money would be available for the payment of a certain part of the debt since redeemed without reducing the ordinary bank balances at all. In the statement now transmitted to your Excellency, the Intercolonial payments are included in the bank balances, and these balances are regarded as available for the Intercolonial Fund so guaranteed.

Keeping this explanation in view, it will be perceived, that after deducting the expenditure on the road since Confederation, the India Bonds and other investments, and the cash balances, at no time since the Loan was contracted has the amount raised on the Imperial guarantee been really drawn upon; and it was only during the first few weeks, when the proceeds of the Loan, as paid in to the fiscal agents more than covered the amount by which they were in advance to Canada, and before the instructions for other investments could be carried out, that this has even apparently been the case.

If, as formerly stated, certain redemptions of the Public Debt were considered as being made out of a portion of the Intercolonial payments, the Bank balances became correspondingly larger than if these redemptions had been met out of ordinary funds. But if a close examination is made into the state of the banking accounts, the very important fact is disclosed that the ordinary Bank balances, wholly irrespective of that portion of the Intercolonial money raised on the Imperial guarantee, have at every date (except during a portion of the quarter ending 30th September 1868, when there was a small difference of 339,000 dollars, or 69,657 *l.* sterling) *been more than adequate to meet the redemptions and all other payments whatever, without using one shilling of the guaranteed Intercolonial money.* In other words, the Government have always, except at that one date, and by that limited sum, had at call in their banker's hands more than the amount of the loan raised on the Imperial guarantee; and it may be literally said that, except as to the sum of 69,657 *l.* sterling, no part of the guaranteed loan has ever been used. That sum was almost immediately replaced by further incomings of ordinary revenue.

It is true that, in this view, the possession of the Intercolonial money permitted the Government to allow their bank balances to run lower than they would otherwise have done, but it is equally true that the bank credits at the disposal of the Government were more than ample to have met any possible demand without relying on the Intercolonial money even as an available reserve.

The annexed Statement (No. 3), prepared by the Auditor, the Deputy Inspector General, and the Deputy Receiver General, shows that in the quarter ending 30th September 1868, the

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the payments on the guaranteed Intercolonial Loan, after deducting a portion only of the expenditure on the work, amounted to - - - - - \$2,927,773
 while the funds on hand were - - - - - 2,588,058
 In the quarter ended 31st December 1868, the payments had amounted
 to - - - - - 5,468,523
 while the funds on hand and invested, were - - - - - 5,497,688
 In the quarter ending 31st March 1869, the payments had amounted
 to - - - - - 6,488,165
 while the funds on hand were - - - - - 6,972,881
 And up to the 16th June instant, the payments have been - - - 7,363,654
 while the funds on hand were - - - - - 9,632,055
 whereof 2,000,000 dollars will be required for the payment of interest at an early day.

From this official statement it is therefore manifest, and your Excellency's Advisers deem it their duty to re-affirm, that the possible measures contemplated in the Minute of August last, were prompted not with the object of providing for any temporary necessities of Canada, but solely as a means of avoiding the loss of interest which would otherwise have arisen. Ample arrangements had been made previous to floating the Loan for meeting the accruing engagements of Canada. These arrangements were actually countermanded, the maturity of other loans was anticipated, and payments made in advance, when the possible expediency of finding employment for a portion of the Intercolonial instalments forced itself upon the consideration of the Canadian Government.

As to the means provided for making such portion of the Loan as might have been or may be used, instantly available, it is perhaps even less necessary again to enumerate them in view of the facts disclosed in the reports of the Auditor General and the Deputy Receiver General.

The work of the Intercolonial Railway is admitted to be one for the benefit of the empire at large, as well as of Canada, and it is certain that for many years it will be a heavy charge on the Canadian Treasury.

The Government of Canada believe they would have been greatly wanting in their duty had they not sought to avail themselves of every proper means of making the burden, in the way of interest, as light to the Dominion as possible during the progress of construction, especially at the present moment, when the consolidation of British interests in North America by the union of new provinces and the acquisition and government of new territories create an exceptional strain on the resources of the country. Had they wantonly allowed the money to remain unemployed without making an effort to invest it temporarily on the conditions of perfect security and instant convertibility, or declined to consider it as an available reserve, they believe they would have exposed themselves to the just censure of the Parliament, to which alone they are responsible for the management and prosecution of the work, and to which they must look for the means of meeting the Loan; and they cannot believe that it either was, or is the deliberate wish of the Imperial Government to have subjected them to any such loss.

As the matter now stands, it has been shown above that the Government has at all times had available cash to the full extent of the uninvested portion of the proceeds of the Loan; but a very considerable reserve must always be kept in the hands of the bankers in Canada, and agents in London; and if instead of placing all the moneys received in one account, a separate account had been kept of the proceeds of the Intercolonial Loan, the effect would have been, that, to this extent, the Dominion would have been paying the agents five per cent. on their advances, whilst they were allowing one per cent. on the special deposit. There would have been a similar loss of interest with the bankers in Canada; a loss which the Government did not feel itself justified in incurring for the sake of a nominal separation of the accounts.

No other investment is either so available at a like rate of interest as the securities of Canada, nor is there any in which the Government of Canada felt it could with such entire confidence place a portion of the surplus funds at its disposal. For every farthing not otherwise invested, Exchequer Bills were delivered to the Receiver General, and held by him specially for the Intercolonial Fund under an Order of Council. The Exchequer Bills were held in case the other means provided should by any possibility be inadequate, over and above the cash balances in the hands of our bankers and fiscal agents, which were always available to the full extent of the Loan. They are receivable in payment of duties of customs and excise, amounting to about 12,000,000 dollars per annum, and it is, therefore, beyond all question that the amount would be forthcoming, even from that source alone, to meet any sums needed to replace the Intercolonial Loan. In truth, the entire revenues of the Dominion were pledged by anticipation to meet any part of the Intercolonial Loan which might be temporarily used.

Your Excellency's Advisers think they may not unreasonably suggest whether the solicitude evinced by Her Majesty's Government respecting the custody of the money may not have its origin in the extreme precautions taken by the Canadian Government, and in the arrangements they made to provide for a much larger amount of that Loan than it has been in their power to invest, with a due regard to the conditions of perfect security and immediate convertibility.

They now challenge the fullest investigation into the sufficiency of the provision they have made for the instant availability of the moneys to the Treasury, for the purpose of being expended on the works.

While your Excellency's Advisers thus assert the right, and believe it to have been their unquestionable

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PAPERS RELATING TO THE

unquestionable duty to have dealt with the funds in the manner they have done, and to a much greater extent than it has been practicable for them to do, they would be unwilling that any issue of an unsatisfactory nature should arise between them and Her Majesty's Government.

If the right of controlling the funds had been asserted by Her Majesty's Government before the Loan was issued, your Excellency's Advisers have already indicated what their duty would have been; but now that the securities have been actually issued, and that obligations of good faith on the part of both Governments as to this instalment of the Loan make the issue irrevocable, and when the amount cannot be returned to the public, grave difficulties arise, and they will await the judgment of Her Majesty's Government on the facts now communicated to them, before submitting any recommendation to your Excellency on the subject.

Meanwhile they cannot, with a proper regard to the responsibilities of their position, recede from the assertion of what they believe to be their undoubted right and bounden duty, of continuing to control and manage the Loan to the exclusion of all other authority, however much they may regret that the necessity of making such an assertion is now for the time forced upon them.

In conclusion, your Excellency's Advisers feel that it is no light thing at the outset of the new career on which Canada is entering, that any suspicion should attach to its reputation for financial integrity and upright dealing; and they cannot but express their deep regret, that in a matter which in their judgment admits of no possible question, and of which they believe neither the right nor propriety is open to controversy, expressions should have been publicly used, having a tendency to throw doubt on the scrupulous exactitude of the Government in its financial dealings.

They do not doubt that, on due consideration, Her Majesty's Government will frankly recognise that Canada has the undoubted right to control and manage the fund in question; that considerations of what is due to her own honour, and the trust under which that fund was received, must alone guide her; that no arrangements have been made or proposed with reference to it, which are open even to criticism; and that the opinions expressed and instructions given to your Excellency under a misconception of the facts will be recalled.

(signed)

Wm. H. Lee,
Clerk of Privy Council.

STATEMENT, No. 1—Of the Intercolonial Railway Account.

THE proceeds of the International Loan went into the General Cash Balances in the hands of the financial agents in London and in Canada; but by Order in Council a special account was to be kept, without distinguishing the proceeds of the 1,500,000*l.* of the Guaranteed Loan from the 500,000*l.* raised for the same purpose on the sole security of Canada. The account was to be credited with the proceeds of the loan as received, and debited with the charges incidental to the negotiation, and with the expenditure on the works. Certain securities were to be held as an investment, and certain special receipts, apart from ordinary revenue, viz., the deposits in Government Savings Banks, the deposits under the law by Insurance Companies, and the repayments of the original loan to the Great Western Railway Company, were to be further invested as they came in. Any balance of the special account not covered by such investments was to be invested in Exchequer Bills, bearing five per cent. interest, and receivable for all public dues. A statement is made out monthly of the account, including interest accrued, and the investment in Exchequer Bills is revised monthly, either by the cancelling of those already issued, or by a further issue, as the state of the account may require.

The Intercolonial Loan Account and the corresponding investment stood as follows on 1st June 1869, since which date instructions have been sent to the financial agents in London to purchase a further amount of 50,000*l.* of Canadian securities; and a further investment of 500,000 dollars has been made by special deposit in the Bank of Montreal at four per cent. On the 1st July the Exchequer Bills will be reduced by a similar amount.

INTERCOLONIAL RAILWAY ACCOUNT.

Dr.								
							Dols.	cts.
To charges of negotiating Loan	-	-	-	-	-	-	168,658	04
To expenditure on works	-	-	-	-	-	-	220,081	64
To investments, India Bonds	-	-	-	-	-	-	681,333	32
							Dols.	cts.
To investments, Canadian securities purchased in London	-	-	-	-	-	243,333	33	
Less—applied to Sinking Fund	-	-	-	-	-	36,500	00	
							206,833	33
To investments, Canadian securities purchased in Canada	-	-	-	-	-	-	27,166	67
To invested with Bank of Montreal	-	-	-	-	-	-	1,500,000	00
To Balance invested in Exchequer Bills	-	-	-	-	-	-	7,627,910	18
Total							Dols.	10,431,983 18

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<i>Cr.</i>	<i>Dols.</i>	<i>cts.</i>
By Loan of 2,000,000 l. sterling - - - - -	9,733,333	34
By premium - - - - -	546,973	22
By interest accrued on investment - - - - -	151,676	62
Total - - - <i>Dols.</i>	10,431,983	18

STATEMENT, No. 2—Of the Canadian Debt redeemed since 1st July 1868, and of the Proceeds of other Loans and Special Deposits available for that purpose.

As the whole proceeds of this Loan went into the general cash balances, no portion of it can be said to have been specifically applied to any particular purpose; but the following statement will show what changes have been made in the debentures and floating debt of the Dominion since 1st July 1868, leaving out of account the proceeds of the Guaranteed Loan.

	<i>Dols.</i>	<i>cts.</i>
Imperial Guaranteed Loan redeemed - - - - -	681,333	32
7 per cent. Debentures redeemed - - - - -	873,200	00
Other redemptions - - - - -	119,700	00
Balances due Messrs. Glyn, Mills & Co., repaid - - - - -	284,488	36
Ditto - ditto Barings - ditto - - - - -	1,077,816	33
Special advances, Bank of Montreal, ditto - - - - -	2,500,000	00
Total - - - <i>Dols.</i>	5,536,538	01
$\frac{1}{4}$ of net proceeds of Intercolonial Loan, being the proportion of Canada		
Debentures not guaranteed - - - - -	2,527,912	13
Deposits of Insurance Companies - - - - -	1,814,605	22
Savings Banks deposits - - - - -	648,559	22
Provincial Notes issued, less 25 per cent. as a specie reserve - - - - -	534,600	00
Total - - - <i>Dols.</i>	5,525,676	57

STATEMENT, No. 3—Of the Proceeds of the Guaranteed Intercolonial Loan, and of the application of it at the end of each quarter, and at the present date.

	<i>Dols.</i>	<i>cts.</i>
Net proceeds of Loan to 30 September - - - - -	3,970,473	09
$\frac{3}{4}$ as proceeds of Guarantee Loan - - - - -	2,977,854	82
Expenditure on Works to date since Confederation - - - - -	50,081	64
	2,927,773	18
Cash Balance available in Canada, 30 September - - - - -	2,588,058	97
Net proceeds of Loan, from 30 September to 31 December - - - - -	3,454,334	14
$\frac{3}{4}$ as proceeds of Guarantee Loan - - - - -	2,590,750	61
Balance from last Quarter - - - - -	2,927,773	18
	5,518,523	79
Expenditure on Works during Quarter - - - - -	50,000	00
	5,468,523	79
Cash Balances available in Canada, 31 December - - - - -	2,507,816	83
In Financial Agents' hands in London - - - - -	2,038,037	95
Investments in London in advance for		
Sinking Fund - - - - -	243,333	33
Ditto - Canada - - - - -	27,166	67
Ditto - India Bonds - - - - -	681,333	33
	951,833	33
Total Available - - - <i>Dols.</i>	5,497,688	11

CANADA RAILWAY LOAN ACT (1867).

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and his colleagues unite in offering as the explanation of the course they have pursued.

In compliance with your Lordship's wish to learn from me to what extent, and in what way, the loan has been employed under the Minute of the 27th of August, I can only say that the statements, 1 and 2, appended to the Minute of the 18th instant, are derived from distinct and independent sources, and seem to furnish the required information.

Statement No. 1 shows in what way the total (guaranteed and unguaranteed) Intercolonial Loan has been invested; and it will be seen that in addition to the special securities set apart by the Order in Council of August last, Exchequer Bills, amounting to 7,627,900 dollars, are held for account of the total loan.

These Exchequer Bills, of which I enclose a form, being receivable in payment of all public dues, would seem to form a security of as high a character as it is possible to procure, and to be readily convertible into cash, irrespective of any reliance on the Bank Credits.

As to the extent of the application of the guaranteed Loan for the purpose of defraying the general debts of the Dominion, it appears, by Statement 2, that the receipts of the Dominion from other sources (and wholly irrespective of its ordinary revenues) have been sufficient to defray all these debts, without relying on the guaranteed portion of the loan at all (except by about 2,000*l.* sterling); and against this 2,000*l.*, besides the ordinary cash balances in hand, a credit of 250,000*l.* was at any moment available in London, and twice as much more in Montreal.

I have, &c.
(signed) *John Young.*

Enclosure in No. 3.

CORRESPONDENCE respecting the INTERCOLONIAL RAILWAY LOAN, &c.

Encl. in No. 3.

(Laid before Parliament by Command of His Excellency the Governor General.)

This Correspondence will be found printed in House of Commons Paper,
No. 272—I. of 1869.

— No. 4. —

(No. 112.)

COPY of DESPATCH from Governor the Right Honourable Sir *John Young*,
Bart., G.C.B., to The Earl *Granville*, K.G.

Government House, Ottawa, Canada,
28 October 1869.

(Received, 11 November 1869.)

(Answered, No. 216, 30 November 1869, p. 23.)

My Lord,

WITH reference to previous correspondence I have the honour to transmit a copy of a Minute of the Privy Council on the subject of the Intercolonial Railway Loan.

I have, &c.
(signed) *John Young.*

No. 4.
Governor Sir J.
Young, Bt., G.C.B.,
to Earl Granville,
K.G.

28 October 1869.

Encl. in No. 4.

Enclosure in No. 4.

MINUTE of the Treasury Board of the 11th August 1869, on the INTERCOLONIAL RAILWAY LOAN, and the MINUTE of the Honourable the Privy Council thereon, of 12th August 1869.

COPY of a MINUTE of the Honourable the Privy Council, adopted in Committee on the 12th August 1869.

THE Committee of Council have given their attentive consideration to the annexed Memorandum, dated 11th August instant, from the Honourable the Board of Treasury to whom was referred the Despatch of the Right Honourable Her Majesty's Secretary of State for the Colonies, No. 129, dated 8th July 1869, communicating to your Excellency the opinion of the Law Officers of the Crown in England, and the views of Her Majesty's Government on the subject of the temporary investment of a portion of the moneys raised under the Imperial Guarantee for the construction of the Intercolonial Railway.

The Committee entirely concur in the opinion expressed by the Treasury Board in their said Memorandum, and advise that a copy of that Memorandum and of the present Report be transmitted by your Excellency to Earl Granville, as embodying the views entertained by the Canadian Government on the important subject to which they refer.

MINUTE of the Treasury Board, adopted 11th August 1869.

May it please your Excellency,

THE Treasury Board have had under consideration the Despatch of Earl Granville of the 8th July 1869, on the subject of the Intercolonial Railway Loan, transmitted to the Privy Council by his Excellency the Governor General, and referred to the Board for its consideration and report. The Board have to express their satisfaction at the declaration of his Lordship, that it was not the intention of Her Majesty's Government to call in question the financial integrity and upright dealing of the Dominion of Canada with reference to the employment of those moneys.

His Lordship transmits copies of two opinions of the Law Officers of the Crown which, in his judgment, lead to the conclusion that the Canada Loan Act of the Imperial Parliament, in using the word "appropriate," required that the money should be kept or invested as a distinct fund applicable to the construction of the road, and to no other purpose.

The conclusion arrived at by the Law Officers would appear to be threefold :

1st. That it was not the intention of the Imperial Act that the money should be invested at all, but that it should be set apart or appropriated.

2nd. That the only sort of investment within its provisions would be one, the rate of which does not fluctuate, but which is convertible at any moment without loss.

3rd. That the temporary application of a portion of the loan to the redemption of the debt of Canada (in other words, the acquisition of Canadian securities) may be a useful investment but is not an appropriation of the loan.

The Board have given careful attention to the statements of the law officers, and have, in the first place, to notice that it would appear that their opinions are based solely on the wording of the Imperial Act, and that they make no allusion to the Act of the Canadian Parliament, 31 Vict. c. 13.

The Board would observe that the Imperial Act is silent as to the investment or custody of the moneys to be raised under the guarantee. It provides that the guarantee shall not be given, "unless and until" an Act has been passed by the Parliament of Canada, providing, to the satisfaction of the Commissioners of Her Majesty's Treasury, for the "raising, appropriation, and expenditure" of the loan.

A Canadian Act was passed making provision for the "raising, appropriation, and expenditure" of the loan, and it "satisfied" the Commissioners of Her Majesty's Treasury, as is evidenced by the fact that the guarantee was given.

The terms of the Imperial Act are, therefore, complied with ; that Act is executed ; its force is spent, and it appears to the Board that reference must now be had to the Canadian Act, and the financial system which obtains in Canada for direction as to the proper custody and disposition of the money raised.

Her Majesty's Government having once accepted that Act as sufficient, the Canadian Government is bound by its terms, and it is its duty, temporarily, to administer the money in the same way as other moneys at its disposal, having due regard to its ultimate expenditure on the work.

The Canadian Act contemplated the ordinary action of the constitutional power of Parliament to be from time to time exercised in appropriating the public money under its control. The construction of the railway ; the contracts and payments were left to the control, and are within the jurisdiction of the Canadian Parliament, without any other limit

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limit or restriction on the part of the Imperial Government than the general power of the Crown to disallow its Acts. It is not contended that the Act of the Canadian Parliament has not been complied with by the Government in dealing with the loan, or that the ordinary mode of administering trust moneys by that Government has been departed from.

The Board do not think it necessary, in discussing an objection which is now limited to a point of technical construction, to dwell further on this view, which appears to them so well founded, that the measure of discretion which the Government may exercise in the management of the fund, is to be looked for in the terms of the Canadian, and not of the Imperial Act of Parliament.

The Board deem it respectful, however, briefly to advert, *seriatim*, to the three points they have noted as embraced in the opinions which accompanied Earl Granville's Despatch.

First. That there should be an appropriation in specie kept distinct and apart.

If this view is the true one it would appear to be equally objectionable to place the money for safe keeping into the hands of the agents of the Government, or to deposit it in any bank whatever. It would merge, in either case, into the general mass of deposits; would not be "set aside" or "kept apart," but would be invested by them, on their discretion and responsibility, with other moneys in their hands. The merging of the loan by the Government with the other moneys in its hands, cannot surely be more objectionable than the merging of it with the ordinary money of any bank into which it might be placed. The only mode of complying literally with the Act, as sought to be construed by the law officers, would appear to be to place away the identical money received from the lenders in packages, to keep these physically separate during the entire period of construction, and to pay away the same money to the persons employed in the prosecution of the work. Anything less would fail to carry out, literally, the view of the law officers as to the complete setting aside and separation of the loan from other moneys, which is, in their opinion, implied by the word appropriate.

It can hardly be supposed, however, that the Imperial Parliament had any such operation in view. If it had not, then the keeping of distinct accounts, and the expenditure, with due promptitude of an equal amount to that raised, on the road, would seem to be a satisfactory and rational compliance with the provisions of the Act.

The public revenue is the produce of loans and taxes, and is not distinguishable in respect of its origin. That revenue or fund has been increased by the amount of the railway loan; the construction of the work is being proceeded with. Parliament has authorised the "payment" of the requisite amount out of that general fund to meet the outlay.

The Board cannot regard the appropriation by Parliament as a direction to deal with it in specie, but only as an authority to the proper officer to pay out of the general fund for the specific object for which the appropriation is made.

Second.—But the Law Officers would appear to admit that there may be some sort of an investment into which the loan could properly be placed, viz., one "the rate of which does not fluctuate, and which is convertible at any moment without loss."

If this be granted, it is a sufficient answer to say that the Board consider the securities which have been set apart as of that character.

If, in the realisation of these securities, there would be any loss, that loss would not fall on the Intercolonial Fund, but on the general revenue of Canada.

It would seem as if the Law Officers of the Crown considered that any loss in the value of the securities would be charged to the Intercolonial Fund, and diminish it by so much; and that the Government of Canada was not under the obligation of making the loss good.

The Board cannot take so restricted a view of the responsibility of the Canadian Government.

On the contrary, they believe that the duty of managing the fund devolved on them, and that it carries with it the corresponding obligation of making it good against loss and disaster of every kind, and of expending the total sum raised on the work, no matter what intermediate diminution from failures, depreciation or other losses, may take place.

The Canadian Government know that the securities set apart are convertible at any moment before the money is required, with certainly no loss whatever to the fund, and probably no loss even to the Government.

Third.—The Law Officers consider that the temporary application of the loan to the reduction of the debt of Canada is not an appropriation of the money.

The Board cannot but take exception to the form in which the operation is made to appear by the expression which the Law Officers, in their first opinion, made use of, viz., "paying off with the Railway Loan Canadian Provincial debts," inasmuch as there was really an investment in the Exchequer Bills of the Dominion of the Intercolonial money to the extent to which it was applied in reduction of debt. For the payment of these Exchequer Bills the whole revenues of the Dominion are pledged by anticipation.

The Law Officers admit that the money may be invested in some form, and that there may be a class of investment within the provisions of the Imperial Act. They add, that the securities of the Government of Canada may be a *useful investment* of the money raised, but do not seem to be an appropriation of it.

If it be admitted that the loan may lawfully be invested at all, and that securities, which are immediately convertible and not of a fluctuating nature, would be an investment within the provisions of the Act, the only other question would seem to be, who is to judge

whether

whether those conditions have been satisfied. Her Majesty's Government, or the Government of the Dominion, on whom the responsibility of making good any losses that may arise, rests?

The Board fail to see why, if an investment in securities of the character described by the Law Officers would be within the provisions of the Imperial Act, an investment in the securities of Canada, which, in the opinion of its Government fulfil, and which it has never been alleged do not fulfil, the conditions which the Law Officers lay down, should not be equally within its provisions.

Earl Granville, in the conclusion of his Despatch, expresses the hope, that the Canadian Government, even if they do not concur in the views he has been led to entertain, will acquiesce in the propriety of avoiding all occasion of cavil, by placing the money in the shape of a distinct fund applicable in its entirety, and at any moment, to the object for which it is destined.

The Treasury Board, while sensible of the courteous terms in which his Lordship expresses this hope, and in which he declares his full conviction in the power of the Canadian Government to replace at any time the sums which have been employed by it, believe that Her Majesty's Government would not desire to suggest the adoption of any course which, on due consideration, might be shown to involve an abnegation, on the part of the Canadian Government, of their constitutional responsibility, or which would inflict unnecessarily a heavy loss on the Canadian Exchequer.

The Board fail to see, after the fullest consideration of all the arguments that have been used, that, in dealing with the money, Canada has exceeded its constitutional right, or that the Government have done anything which was not their bounden duty; and they equally fail to see that there has been any technical departure from the wording of the law. The case has been put as if a permanent application of a portion of the loan to another purpose had taken place, or been contemplated, instead of, as is the fact, that Canada wished to procure some temporary return for moneys which she could not at the time, by any possibility, employ for the purposes of the work; and which, if not placed on security, would have been unproductive, and thereby have subjected her people to serious loss. The ability of Canada to replace the amount at any moment is now acknowledged by Her Majesty's Government; the most rapid prosecution of the work practicable is unquestioned, but it is yet asked that the money may not be used in the interval at all; that it may be set aside and kept intact without any regard to the questions of productiveness; that this loss of interest must be incurred, although an opportunity of investing a portion productively has offered, and although the character of the investment is admittedly undoubted!!

If, at the time the loan was contracted, the Government of Canada could have placed the amount with their bankers at a reasonable rate of interest, they would undoubtedly have done so, and made other arrangements respecting the maturing debt. They were, however, compelled to avail themselves of the only safe investment which offered, their own bonds, which they were about issuing, and they desire to call Lord Granville's attention to the fact that they did, by Order in Council, at that time create a distinct fund for the loan, and set the securities in which that fund was invested aside, to be applied when realised to the object for which the loan was destined. As those securities mature, or can be advantageously placed, the cash will, in like manner, be set aside as a distinct fund.

While ready to give every consideration to any suggestion on the part of Her Majesty's Government, the adoption of which may not be at variance with the duty which the Government of Canada believe is imposed upon them of managing this fund, subject only to their constitutional responsibility towards the Parliament and people of Canada, the Board would desire to call his Lordship's attention to the aspect of the case which is now presented, and to the fact which is shown in the previous Minute of Council, that ever since the money was raised, there has, except during a very brief interval and by a very insignificant amount, been a larger sum on call at their bankers than the total amount of the guaranteed loan. They would also remind his Lordship that the Government have special credits beyond this, amounting to 750,000 £ sterling, which are practically so much money on call with their bankers, available at any moment for the purposes of the work, while securities of the most undoubted character, on which they could obtain further advances or dispose of at any moment, have been set apart to meet the drafts on this loan.

They would further call his attention to Statement Number 1, attached to the Minutes of Council of the 18th of June last, by which it will be seen that a special account is kept in the books of the Canadian Treasury for this loan. The Government have already made full provision to meet the outlay on the work to the extent of the loan, and the amount stands in the books of the Treasury as a separate fund, distinguished from the accounts for all other works. They cannot but believe that these arrangements already made fully carry out the hope expressed by his Lordship that the amount raised should be placed to a distinct fund, available at any moment to the object for which it is destined.

It is unnecessary to say that it has been, and is, the anxious wish of the Canadian Government to fulfil with implicit exactitude, and in the largest sense, both the letter and the spirit of all their undertakings towards Her Majesty's Government, connected with this loan. The Board are therefore unwilling to believe, in view of the fuller explanations now given, that Earl Granville will fail to recognise in the measures which were adopted at the outset for placing this fund beyond the reach of any possible loss, not only a practical evidence

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evidence of this desire, but a satisfactory compliance with the law. They feel assured that his Lordship will acknowledge it to be their duty to guard the public Exchequer of Canada from unnecessary loss, and that he would not urge any course which the Canadian Government might conceive to conflict, not only with that duty but with the constitutional obligations they owe to Parliament.

Treasury Board, Ottawa, 11 August 1869.

— No. 5. —

(No. 117.)

COPY of DESPATCH from Governor the Right Honourable Sir *John Young*, Bart., G.C.B., to The Earl *Granville*, K.G.

No. 5.
Governor Sir J.
Young, Bt., G.C.B.,
to Earl Granville.
K.G.
30 October 1869.

Government House, Ottawa, Canada,
30 October 1869.

(Received, 18 November 1869.)

My Lord,

With reference to previous correspondence, I have the honour to transmit to your Lordship a copy of a Minute of the Privy Council of Canada, respecting the investment of the Intercolonial Railway money.

2 October 1869.

I have, &c.
(signed) *John Young*.

Enclosure in No. 5.

Encl. in No. 5.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General, on the 2nd of October 1869.

THE Committee have had under consideration the accompanying Report, dated 11th August 1869, from the Honourable the Minister of Finance, submitting certain correspondence had by him with the Bank of Montreal, on the subject of the balances in the hands of that institution, and the disposal to it of, or the advance by it on, the bonds of the Great Western Railway Company, and recommending the same for your Excellency's approval.

The Committee respectfully report their approval of the arrangements made by the Minister of Finance, as stated in the correspondence, and recommend that the bonds of the Great Western Railway Company be delivered to the Bank of Montreal, on their being obtained from that company.

(Certified) *Wm. H. Lee*,
Clerk, Privy Council.

THE Minister of Finance has the honour to bring under the consideration of his Excellency in Council the correspondence had by him with the Bank of Montreal, on the subject of the balances in the hands of that institution, and the disposal to it of, or the advance by it on, the bonds of the Great Western Railway Company, and to recommend the same for his Excellency's approval.

(signed) *John Rose*,
Minister of Finance.

Ottawa, 12 August 1869.

Dear Sir,

Ottawa, 5 August 1869.

REFERRING to the conversations we had on the subject of the balances at the credit of the Government with the Bank of Montreal, on which the Government desired to obtain interest, and to the difficulty under which the bank laboured in meeting its wishes, owing to the large amount of unemployed money at its disposal, and to the existing arrangements as to the uncertain dates of withdrawal, I have communicated with my colleagues, and now submit a memorandum of the arrangements which the Government is prepared to make.

You will perceive that we propose to embrace in this plan the payments on account of the Intercolonial Railway from the balances we have in hand, and on account of which loan it is our object to provide some return.

While the Government anticipate that these payments will extend over a considerable period, yet they cannot guarantee that they will do so; but the amount must be considered at the disposal of the Government for the purpose of the work, whenever required; and you will understand that these payments may involve the considerable one at an early day, on account of the purchase of the Eastern Extension Railway, should the Government decide to acquire that work. With respect to the rate of interest to be allowed, which we have more recently discussed, the Government would have been glad if the bank could have seen its way to make it four per cent.; but they have given consideration to the point you mentioned, that the payments on Government account may considerably exceed the amount of matured Great Western Railway Bonds, and thus leave the bank in advance to that extent at a low rate of interest. Having due regard to this possibility, and believing it desirable to make provision, at a certain fixed rate, for having the entire amount of the bonds available as a cash balance for the construction of the Intercolonial Railway, they think the rate of $3\frac{1}{2}$ per cent. on the whole to be fair, and acquiesce in it accordingly.

You will perceive that the first proposal contemplates the transference from current account of a sum beyond what is now held in special deposit.*

If the arrangement now proposed is carried out, the Government would not contemplate using the credit for 500,000 *l.*, referred to in a previous correspondence.

I am, &c.
(signed) *John Rose*,
Minister of Finance.

E. H. King, Esq.,
Manager, Bank of Montreal, Montreal.

MEMORANDUM.

1st. The bank to renew the amount now at special deposit, and to receive such further amount as may be agreed on by transfer from the ordinary account. The bank, in addition, to place to the credit of the Government the amount of the Great Western Railway Company's bonds at par. These bonds are to be handed over to the bank, and the bank may either purchase them at par, with the guarantee of the Government for their payment at maturity, or may regard the amount as an advance made to the Government for the term of these bonds, the bank continuing to hold the bonds of Canada, now in its possession as a guarantee for the payment at maturity of the Great Western Railway bonds in either case; it being understood that if the bank elects to make an advance, the rate of interest on such advance shall not exceed 4 per cent. per annum.

2nd. These sums to be placed to a special account, to be called Intercolonial Railway Construction Account, and to be drawn on solely for the purpose of the railway, according to the progress of the works; the amounts at the credit of the account to bear $3\frac{1}{2}$ per cent. interest until the entire sum is exhausted.

3rd. The bank to make arrangements for the payment of such money as may be required at the points on the line of the Intercolonial Railway, which may be indicated by the Commissioners; the bank having the use, free of charge, of the building at Chatham, recently leased by the Government, not to be subject to any other charge than the actual cost to the bank of making such payments.

(signed) *John Rose*,
Minister of Finance.

Ottawa, 5 August 1869.

Dear Sir,

Montreal, 9 August 1869.

I HAVE the honour to acknowledge the receipt of your letter of the 5th instant, accompanied by a memorandum of the arrangement which the Government is prepared to make for the purpose of providing for the expenditure upon the construction of the Intercolonial Railway, out of the following sources:—

1st. From the special deposits now held by this bank.

2nd.

* I should be glad if you would inform me whether you acquiesce in this, or still desire to limit the transfer to the sum held in special deposit?

CANADA RAILWAY LOAN ACT (1867).

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2nd. From the sale at par, with the guarantee of the Government, of the bonds of the Great Western Railway Company, bearing interest at 4 per cent. per annum to the extent, as I understand, of about 500,000 *l.* sterling, or a loan for an equal amount for the term of these bonds by the bank to the Government, at a rate of interest not exceeding 4 per cent. per annum; the bank continuing, in either case, to hold the bonds of Canada, now in its possession, until the maturity of the Great Western Railway bonds.

3rd. From a further special deposit derived from the current balances at the credit of the Receiver General.

I am prepared on the part of the bank to meet the wishes of the Government, so far as the first and second sources, from which the amount is to be derived, and in the meantime, make a loan upon the Great Western Railway bonds at par, for the term they have to run.

I do not see, at present, that the bank could make an absolute purchase of these bonds at par; but I shall be glad to retain the option.

With regard to the third source, from which this sum is to be derived, I regret that it is not possible for the bank to meet the wishes of the Government. The bank has been embarrassed for some months past with about four or five millions of dollars of gold, absolutely idle, and for a good portion of which the bank has been paying interest to the Government on special deposits. There is no safe and profitable employment for this large surplus in Canada, combined with the certainty of prompt realisation in case of need; and I may mention that the bank has at this moment under consideration the propriety of making a considerable reduction in the rate of interest upon short advances, covered by railway receipts and bills of lading, with a view of finding temporary employment for its funds. I trust, therefore, that it will be satisfactory to the Government to carry out the proposed arrangements, subject to the above exception.

The balances at the credit of this proposed account will bear interest at the rate of 3½ per cent. per annum.

The Honourable John Rose,
Minister of Finance.

I am, &c.
(signed) *E. H. King.*

Dear Sir,

Ottawa, 11 August 1869.

In reply to your letter of the 9th instant, I beg to say that, though I regret that you are not prepared to accept a transfer of a further amount from the present large current balances now in deposit with the bank, the Government, after due consideration, is prepared to assent to the modified terms suggested by you in that letter, with this qualification, that we wish to have the option of maintaining and receiving interest on the balances proposed to be placed to the credit of the Intercolonial Railway Fund; in other words, to deposit from time to time to its credit, from our current balances, amounts equal to the expenditure on account of that fund, if the state of those working balances will permit.

As you cannot acquiesce in my proposal to transfer a further amount from the current balances, to the credit of the special account, I beg you will be good enough to remit, on the most favourable terms in your power, and at as early a day as may be, the sum of 100,000 *l.* sterling to Messrs. Baring Brothers & Co., for account of the Government, advising me, in due course, of details.

E. H. King, Esq., Manager,
Bank of Montreal, Montreal.

I am, &c.
(signed) *John Rose,*
Minister of Finance.

— No. 6. —

(No. 163.)

COPY of DESPATCH from Governor the Right Honourable Sir *John Young*,
Bart., G.C.B., to The Earl *Granville*, K.G.

Government House, Ottawa, 22 December 1869.

(Received, 5 January 1870.)

(Answered, No. 12, 15 January 1870, page 23.)

My Lord,

WITH reference to your Lordship's Despatch of 30th November (No. 216*), acknowledging the receipt of my Despatch, No. 112,† of the 28th October last, enclosing a copy of the Minute of Council, dated the 11th August, on the subject of the Intercolonial Railway Loan, and observing that you would have been glad to have received the Minute at an earlier date,—

I have the honour to state, in explanation, that though the Minute bears date as having passed the Council on the 12th August, it did not receive my assent until the 2nd October. The delay occurred in this way: I had left Quebec for the Maritime Provinces before the 12th August, and the Minute did not reach

No. 6.

Right Hon. Sir
John Young, Bart.,
G.C.B., to Earl
Granville, K.G.
22 December 1869.

* Page 23.

† Page 11.

reach me until my arrival in Halifax some weeks later. When it did reach me I was in doubt whether it would prove in exact conformity with your Lordship's instructions, and I held it over, Mr. Rose having left Ottawa, until I could personally confer with the Premier. He was indisposed during the few days I passed in Ottawa between my tour in the Maritime Provinces and that which I had engaged to make in Ontario. So that, after all, my doubts had to be resolved by correspondence, which they accordingly were; and on the 2nd October I returned the Minute, approved, from Niagara, where I was at the time. On my return to Ottawa I transmitted the Minute so soon as I received the authenticated copy from the Clerk of the Privy Council.

The delay was therefore occasioned, in the first instance, by my absence from the seat of Government at so great a distance as Halifax; and secondly, by my anxiety not to give my approval to any disposition of the funds in question until I could be fully assured that it was in conformity with your Lordship's instructions.

I have, &c.
(signed) John Young.

— No. 7. —

No. 7.
Right Hon. Sir
John Young, Bart.,
G.C.B., to Earl
Granville, K.G.

COPY of TELEGRAM from Governor the Right Honourable Sir John Young, Bart., G.C.B., to The Earl Granville, K.G.

(Received, 20 April 1870.)

I HAVE requested Sir F. Hincks to give me a correct version of his remarks, and the Ministers to furnish for your information a statement of present position of Intercolonial Railway Loan Funds.

Ottawa.

— No. 8. —

No. 8.
Governor Sir J.
Young, Bt., G.C.B.,
to Earl Granville,
K.G.
21 April 1870.

(No. 79.)

COPY of a DESPATCH from Governor the Right Honourable Sir John Young, Bart., G.C.B., to The Earl Granville, K.G.

Government House, Ottawa,
21 April 1870.

(Received, 6 May 1870.)

My Lord,

* Page 24.

WITH reference to your Lordship's telegram of the 18th instant*—

"Early explanation required of statement by Minister of Finance in budget speech, that Law Officers' opinion as to railway loan will not be followed."

I have the honour to enclose a statement furnished to me by Sir Francis Hincks.

From this paper it appears, that of the unexpended balance of the Imperial Guaranteed Loan for the Intercolonial Railway, amounting to 5,733,763 dollars 76 cents., there are lying on deposit in the Bank of Montreal, 4,799,784 dollars.

In India bonds in London	-	-	-	681,333
Making	-	-	-	5,481,117

† Page 15.

Paragraph 2 of an instruction to the Montreal Bank, dated 2nd October 1869, a copy of which was sent in my Despatch, No. 117,† 30th October 1869, states, with regard to the first of the above items,

"There seems to be placed to a special account, to be called Intercolonial Railway Construction Account, and to be drawn on solely for the purpose of the railway, according to the progress of the works; the amounts at the credit of the account to bear 3½ per cent. interest until the entire sum is exhausted."

Further, there is in deposit at call in the chartered banks a sum of
1,814,769

CANADA RAILWAY LOAN ACT (1867).

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1,814,769 dollars 90 cents, more than covering the unexpended balance of the Guaranteed Intercolonial Railway Loan. So that the Intercolonial Railway money is more than covered without referring to the Imperial Guaranteed Bonds (300,000 £. sterling) for the purchase of the Hudson's Bay Territory, which have not yet been negotiated, although the full amount has been deposited.

Sir J. Rose was authorised by the instructions he received from the Canadian Government to offer explanations in England, and negotiate in reference to the matter in hand. A copy of these instructions was duly transmitted to your Lordship in my Despatch, No. 98,* 4th September 1869, and the Ministers here understood, unofficially, of course, from Sir John Rose, that he had offered explanations which were accepted as satisfactory at the Treasury. I was not informed of their having been offered, nor of their result, and considered myself still bound by your Lordship's instructions of 1st June 1869 (No. 97†). No opportunity, however, was afforded for acting upon those instructions, for no paper has come before me, nor a proposition of any kind been submitted in reference to these moneys since I wrote my Despatch of 30th October 1869, No. 117.

* Not printed.

† Page 21.

I have, &c.
(signed) John Young.

Enclosure in No. 8.

IN obedience to your Excellency's instructions that I should enable you to reply to Earl Granville's telegram, requesting an explanation of some remarks made by me in the House of Commons on the 7th inst., in my speech on the Budget, to the effect that the opinion of the Law Officers of the Crown, as to the disposition of the Intercolonial Railway Loan, had been disregarded, I have the honour to report that, after consulting several newspapers, I find such a discrepancy in the reports, that I think it will be more satisfactory that I should explain substantially what passed on the occasion referred to. Before doing so, I may observe that all the transactions connected with the Intercolonial Railway Loan occurred before I became a Member of the Government. I had ventured to hope that, as no intimation to the contrary had been given to the Canadian Government, the Minute of the Treasury Board of the 11th August 1869, approved by the Privy Council Minute of the 20th of that month, had been deemed satisfactory by Her Majesty's Government; and when the Opposition Members renewed, during the present Session of Parliament, the attack on the policy of the Government regarding the Intercolonial Loan which they had commenced during the previous Session, I considered it my duty to maintain and defend that policy.

Encl. in No. 8.

The subject had not in any way been referred to by me in my speech on the 7th inst., bringing forward the Budget, but at a later hour of the evening the Opposition demanded explanations on the subject of the Intercolonial Loan, and especially as to whether there had been a compliance with the opinions of the Crown Law Officers. To this but one answer could have been given, viz., that it had not been found possible to act in accordance with those opinions, but that, as no reply had been received to the Minute of the Canadian Government pointing out the impracticability of acting in accordance with the opinions of the Crown Law Officers, we had a right to assume that the Imperial Government were satisfied with our explanations, and that we had made no change in our arrangements.

On reference to the Canadian Treasury Minute of the 11th August 1869, to the Despatches of Earl Granville, and to the opinions of the Law Officers, it will, I think, be apparent not only that it would be impossible to give effect to those opinions, but that Earl Granville has not instructed your Excellency to adopt any measures with a view of trying to do so. The Law Officers declare: "We think that it was not the intention of the Imperial Legislature that the money should be invested at all; it was to be appropriated or set aside." Again, "The only sort of investment within the provisions of the Imperial Act would be, we think, an investment (*if any such exists or can be conceived*), the value of which does not fluctuate, and which is convertible at any moment without loss." The Law Officers were evidently of opinion that no such investment, as in their opinion was alone within the provisions of the Imperial Act, was to be found, or could be conceived; but they failed to give any intimation as to what, in their opinion, would be a legal disposal of the money.

The Treasury Minute has, in my opinion, shown conclusively that it would be quite impossible to act on the opinion of the Law Officers.

But I submit that Earl Granville has not instructed your Excellency to attempt to give effect to that opinion. His Lordship, in his Despatch of 8th July 1869, points out to your Excellency that "the first of those opinions *more than bears out* the conclusion at which I had arrived," and which was communicated to your Excellency in his Lordship's previous Despatch of the 1st June, which was, "to refuse your concurrence, in any mode, of dealing with the money remaining in the hands of Government, other than that of investment properly so called." In the Despatch of 8th July, his Lordship hoped that the Canadian Government would avoid all occasion of cavil, "by placing the money in the shape of a distinct fund, applicable in its entirety, and at any moment, to the object for which it is destined."

I submit

I submit that there is a very wide difference between the instructions of Earl Granville, and the opinion of the Crown Law Officers. Earl Granville distinctly recognises the propriety of investing the money, provided it can be made applicable at any moment to the object for which it is destined. The Law Officers declare that it was not the intention of the Imperial Legislature that the money should be invested at all, and that no investment would come within the provisions of the Act, unless one which does not fluctuate, and which is convertible at any moment without loss. I do not find, in any of the Despatches, a suggestion as to the kind of investment which, in the opinion of Earl Granville, would meet the requirements of the Act.

It is clear that the securities, which have been always held to be the best in England, and in which trust funds of all kinds are habitually invested, would not satisfy the requirements of the Law Officers; and I submit that the Canadian Government has, from the first, literally complied with the requirements of Earl Granville. There has always been "a distinct fund, applicable in its entirety, and at any moment, to the object for which it is destined."

Earl Granville has never prescribed any particular mode of investment; and I own that I fail to comprehend how the Imperial Government can object to a mere temporary investment in Canadian Securities, when they have sanctioned the investment of the sinking fund in similar securities. I believe that the objection originally taken to the transaction was founded on misconception.

It was assumed that the money had been employed in paying off a debt of the Dominion, and that no special fund had been created.

The real facts were these: the Dominion had a floating debt at the time, which there would not have been the slightest difficulty in funding, but considerable sums were likely to be paid into the Canadian Treasury at a comparatively early period, which rendered it undesirable to issue debentures at a long date. The Canadian Parliament had agreed to issue stock at par to insurance companies, to be held as a special deposit for the security of policy-holders, and it was known that there would be an early demand for such stock. There was likewise a large debt due to the Government by the Great Western Railway Company, which, by agreement, was to be paid off at an early period, and which was in the shape of negotiable bonds.

It was, therefore, deemed more expedient to issue Exchequer Bills, which, being receivable for all debts due to Government, were equivalent to gold, instead of negotiating a loan, payable at a distant period. All these arrangements would have been made without reference to the Intercolonial money. When it became necessary to invest that money temporarily, these Exchequer Bills were considered the most eligible mode of investing the money, and the correctness of Sir John Rose's anticipations has been proved by the fact, that upwards of 4,000,000 dollars of these Exchequer Bills have been already paid off. It is no doubt true, that the money invested in the Exchequer Bills was used for paying off a floating debt of the Dominion, which would otherwise have been paid off with the money which was subsequently used to redeem the Exchequer Bills. In the absence of all information as to what are the views of Her Majesty's Government as to the kind of investment that they consider admissible, I am unable to judge whether Earl Granville would be satisfied with the present position of the Intercolonial account, but I have no doubt that your Excellency would wish me to state exactly how it stands. The proceeds of the Imperial Guaranteed Loan, as stated in the Minute of 18th June 1869, were 7,403,654.76 *Dollars*.

Expended on works to this date	-	-	-	-	-	1,669,891	„
							<u>5,733,763.76 Dollars.</u>

To meet this there is at interest in the Bank of Montreal, on the condition that it is to be drawn for as required for the Intercolonial Railway

-	-	-	-	-	-	4,799,784 Dollars.	
India Bonds in London	-	-	-	-	-	681,333 „	
							<u>5,481,117 Dollars.</u>

There is in deposit at call in the chartered banks a sum of \$1,814,769.90, and the Imperial Guaranteed Bonds (300,000 l. sterling), for the purchase of the Hudson's Bay Territory, have not yet been negotiated, although the full amount has been deposited. The expenditure on the works will, for some time to come, be met out of the money at the credit of the Government with the chartered banks, not bearing interest. I may observe that a portion of the special deposit in the Bank of Montreal consists of the Great Western Railway bonds, which the bank made an advance on to the full amount. Sir John Rose having been of opinion that it was more desirable to have that sum at call in the bank than in bonds of a railway company.

I trust that the foregoing explanation will supply your Excellency with the information which you require.

20 April 1870.

F. Hincks, Minister of Finance.

Despatches from the Secretary of State.

— No. 1. —

(No. 97.)

COPY of DESPATCH from The Earl *Granville*, K.G., to Governor the Right Honourable Sir *John Young*, Bart., G.C.B.

Sir,

Downing-street, 1 June 1869.

THE Treasurer of the Dominion has recently transmitted to this Department a paper presented to the Canadian Parliament, containing, among other documents, a Minute of the Privy Council, approved by the Governor General on the 27th of August last.* It would appear that under that Minute money raised under Imperial guarantee for the construction of the Intercolonial Railway was to be temporarily applied to the purpose of defraying the general debts of the Dominion.

This mode of employing a loan guaranteed by the Parliament of this country for a specific purpose appears to Her Majesty's Government not to be justifiable. I wish, therefore, to learn from you to what extent and in what way the loan has been employed under authority of that Minute, and I have to instruct you to refuse your concurrence in any mode of dealing with the money remaining in the hands of Government other than that of investment properly so called.

I should also wish to receive from Mr. Rose any observations respecting the Minute of 27th August which he may consider calculated to remove the strong objections which at first sight attach to it.

I have, &c.
(signed) *Granville*.

No. 1.

Earl *Granville*, K.G.,
to Governor the
Right Hon. Sir
John Young, Bart.,
G.C.B.
1 June 1869.

* *Vide* House of
Commons Paper,
No. 272—I. of
17 June 1869,
page 18.

— No. 2. —

(No. 129.)

COPY of DESPATCH from The Earl *Granville*, K.G., to Governor the Right Honourable Sir *John Young*, Bart., G.C.B.

Sir,

Downing-street, 8 July 1869.

I HAVE to acknowledge your Despatch, No. 67,† of 20th June, transmitting a Minute adopted by the Privy Council of Canada in relation to my Despatch, No. 97,‡ of 1st June, relating to the disposal of moneys raised under Imperial Guarantee for the construction of the Intercolonial Railway.

I desire, first, to explain that in requesting you to submit this question to Mr. Rose for his observations, my only object was to obtain information from that member of your Government who was presumably most competent to give it, and not, as your Ministers appear to suppose, to fasten on Mr. Rose any special or personal responsibility.

You will assure your Advisers that I have never had any intention to call in question the financial integrity and upright dealing of the Dominion of Canada, still less the personal honour of Mr. Rose and his colleagues.

I have been led to the conclusion that the spirit, if not the letter, of the Canada Loan Act (30 Vict. cap. 16, Imperial) required that all money raised under it should not only be expended on the construction of the Intercolonial Railway, but "appropriated" to that purpose; that is, that it should be kept or invested as a distinct fund applicable to that construction, and to no other purpose.

I enclose copies of two opinions of the Law Officers of the Crown, sought and given, I can assure you, with no unfriendly feeling towards the Canadian Government, nor any wish to impose on them any obligation beyond what is implied in the terms of the arrangement as sanctioned by Parliament.

244.

You

No. 2.

Earl *Granville*, K.G.,
to Governor the
Right Hon. Sir
John Young, Bart.,
G.C.B.
8 July 1869.

† Page 4.
‡ Above.

28 June 1869.
6 July 1869.

You will observe that the first of these opinions more than bears out the conclusion at which I had arrived, and that this opinion is not altered by the Minute of your Privy Council which I at once referred to them.

I have full confidence in the power of the Canadian Government to replace at any time the sums which have been so employed, under a belief that there could be no doubt as to the propriety of that course. The opinions of the Law Officers and the Treasury, whom I have consulted, show that that belief is not well founded.

With these opinions before them, your Advisers will, I am sure, see that my Despatch was not written hastily or without necessity. And even if they do not concur in the views which I am led to entertain, I hope they will acquiesce in the propriety of avoiding all occasion for cavil by placing the money in the shape of a distinct fund applicable, in its entirety, and at any moment, to the object for which it is destined.

I have, &c.
(signed) *Granville.*

Enclosure 1, in No. 2.

Encl. 1, in No. 2.

My Lord,

Temple, 28 June 1869.

WE are honoured with your commands signified in Sir Frederic Rogers' letter of the 17th instant, stating—

1. That he was directed by your Lordship to request that we would favour your Lordship with our opinion upon the following case.

2. That by the Imperial Act, 30 & 31 Vict. c. 16, the Commissioners of Her Majesty's Treasury were empowered to guarantee payment of interest at a rate not exceeding 4 per cent. per annum, on any principal money not exceeding 3,000,000 *l.* sterling, to be raised by way of loan by the Government of Canada for the purpose of the construction of a railway connecting Quebec and Halifax.

3. That by the 3rd section of the Act, this guarantee was not to be given until certain provisions had been embodied in an Act of the Parliament of Canada, and that he was directed to call our attention to the first of these provisions which related to the "Appropriation," for the purpose of the construction of the railway, of a loan not exceeding 3,000,000 *l.* sterling.

4. That an Act of Parliament of Canada was in due course passed, 31 Vict. c. 13, and that a copy of it was annexed for reference.

5. That it would be seen that the Act was in operation, and that it might be assumed that that Act fulfilled the requirements of the Imperial Act, though it had not received as yet the formal sanction of Her Majesty.

6. That subsequently to the passing of that Act a loan was raised, and the substance of the terms and conditions upon which the loan was raised, and the form of debentures, would be seen from the letter of the 11th July 1868, from Mr. Rose, the Financial Minister to the Treasury, and from the reply thereto of the 15th July, and that copies of those letters were annexed for reference.

7. That from a Minute of the Privy Council of Canada, approved by the Governor General on 27th August 1868, it appeared that the money raised under the Imperial guarantee for the construction of the railway, was to be temporarily applied to the purpose of defraying certain debts of the Dominion bearing a high rate of interest, and that a copy of such Minute was annexed for reference.

8. That the Minute gave rise to an inquiry in the House of Commons, whether such application was not in contravention of the Canada Railway Loan Act, 1867, and a full report from Mr. Rose, the Financial Minister, which was approved of by the Privy Council of the Dominion, had lately been received in answer to such inquiry, and that a copy of such report was annexed for reference.

9. That under these circumstances our opinion was requested on the following questions:—

1. Whether this appropriation of the proceeds of the loan was in contravention of the Canada Railway Loan Act, 1867, or;

2. Whether in the absence of any special provision as to the custody or investment of the proceeds of the loan until they were wanted for the purpose for which they were raised, the Canadian Government were, or were not, within their legal rights in making this temporary use of the paid-up instalments?

In obedience to your Lordship's commands we have considered the questions submitted to us, and have the honour to report,

That

CANADA RAILWAY LOAN ACT (1867).

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That we regret to be unable to advise that the investment of the money, under the Minute of the Privy Council of Canada, is in conformity with the Imperial Act of 30 & 31 Vict. c. 16.

We think that it was not the intention of the Imperial Legislature that the money should be *invested* at all; it was to be appropriated or set aside. The only sort of investment within the provisions of the Imperial Act would be, we think, an investment (if any such exists or can be conceived) the value of which does not fluctuate, and which is convertible at any moment without loss. Paying off with the railway loan, Canadian Government debts bearing a high rate of interest, may be, perhaps, an useful investment of the money raised, but does not seem to us to be an appropriation of it; and we think, therefore, that the spirit and intention of the Canada Railway Loan Act, 1867, has not been complied with.

We have, &c.
(signed) *R. P. Collier.*
J. D. Coleridge.

The Earl Granville, K.G.

Enclosure 2, in No. 2.

My Lord,

Temple, 6 July 1869.

Encl. 2, in No. 2.

WE are honoured with your commands signified in Sir F. R. Sandford's letter of this date, stating that he was directed by your Lordship to forward an enclosed copy of a Despatch from the Governor General of Canada transmitting a copy of a Minute adopted by the Privy Council of Canada on the 18th June last, on the subject of the Intercolonial Railway Loan; and further stating that your Lordship requested to be informed, at the earliest possible date, whether the Minute affected the opinion expressed by us in our letter of the 28th June.

In obedience to your commands we have the honour to report,

That the Minute does not affect the opinion expressed by us in our Report of the 28th June.

We have, &c.
(signed) *R. P. Collier.*
J. D. Coleridge.

The Earl Granville, K.G.

— No. 3. —

(No. 216.)

COPY of DESPATCH from The Earl Granville, K.G., to Governor the Right Honourable Sir John Young, Bart, G.C.B.

Sir,

Downing-street, 30 November 1869.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 112,* of the 28th October, enclosing a copy of a Minute of the Privy Council, dated the 12th of August, on the subject of the Intercolonial Railway Loan.

As this is a subject in which the Imperial Government is much interested, I should have been glad to have received the Minute at an earlier date.

I have, &c.
(signed) *Granville.*

No. 3.
Earl Granville, K.G.,
to Governor the
Right Hon. Sir
John Young, Bart.,
G.C.B.
30 Nov. 1869.
* Page 11.

— No. 4. —

(No. 12.)

COPY of DESPATCH from The Earl Granville, K.G., to Governor the Right Honourable Sir John Young, Bart., G.C.B.

Sir,

Downing-street, 15 January 1870.

I HAVE to acknowledge your Despatch, No. 163,† of 22nd December, explaining the cause of the delay in forwarding a copy of the Minute of Council of 12th August, on the subject of the Intercolonial Railway Loan.

Your Despatch furnishes a full and complete explanation of the delay.

I have, &c.
(signed) *Granville.*

No. 4.
Earl Granville, K.G.,
to Governor Sir
John Young, Bart.,
G.C.B.
15 January 1870.
† Page 17.

— No. 5. —

(No. 93.)

No. 5.

Earl Granville, K.G.,
to Governor Sir
John Young, Bart.,
G.C.B.
19 April 1870.

COPY of DESPATCH from The Earl *Granville*, K.G., to Governor the
Right Honourable Sir *John Young*, Bart., G.C.B.

Sir,

Downing-street, 19 April 1870.

I sent on the 18th instant, at 4 p. m., a telegraphic Despatch to you in the following words :—“ Early explanation requested of statement by Minister of Finance in Budget Speech, that Law Officers’ opinion as to Railway Loan will not be followed.”

I have, &c.
(signed) *Granville*.

Correspondence between The Colonial Office and Sir John Rose, K.C.M.G.

— No. 1. —

No. 1.

Sir Frederic
Rogers, Bart.,
K.C.M.G., to Sir
John Rose, K.C.M.G.
10 May 1870.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., K.C.M.G., to Sir *John Rose*, K.C.M.G.

Sir,

Downing-street, 10 May 1870.

I AM desired by Earl Granville to inform you that it is proposed shortly to lay before Parliament certain papers relating to the investment of the Inter-colonial Railway Loan, and that it appears to his Lordship desirable that an account of the actual expenditure and progress of the railway works, and of the obligations assumed up to the present time, should be annexed to these papers.

Should it be in your power to furnish such a statement, Lord Granville would be glad to receive it at your early convenience, together with any other information which your intimate knowledge of the subject may supply.

I am, &c.
(signed) *Frederic Rogers*.

— No. 2. —

No. 2.

Sir John Rose,
K.C.M.G., to Sir
Frederic Rogers,
Bart., K.C.M.G.
12 May 1870.

COPY of a LETTER from Sir *John Rose*, K.C.M.G., to Sir *Frederic Rogers*, Bart., K.C.M.G.

Sir,

London, 12 May 1870.

I HAVE the honour to acknowledge receipt of your communication of the 10th instant, written by direction of Earl Granville, in which you inform me that his Lordship would be glad to receive a statement of the progress of the Intercolonial Railway, of the expenditure on it, and the obligations assumed up to the present time, together with any other information which my knowledge of the subject may enable me to supply.

In

In reply, I have now the honour to say, that it is somewhat difficult to state, with precision, the exact position of the undertaking, and the obligations existing in respect of it. These are daily changing, and the last official reports, of which I have any knowledge, relate chiefly to the considerations which affected the selection of the route, the manner of letting the contracts, &c. I have, however, been favoured with the perusal of statements prepared by the Secretary and one of the Intercolonial Commissioners, giving a very full explanation of the operations up to January last, which I shall have great pleasure in placing at Earl Granville's disposal, and the substance of which I will now communicate.

It will be remembered that up to July 1868, when the Intercolonial Loan was raised, the route which the Railway would take was undetermined, three lines being then proposed; the one by the Valley of the St. John, the other through the centre of New Brunswick, and the third that now being constructed. Previous to, and during the summer of, 1868, Canada had gone to great expense in exploring these three different routes, in order to place before Her Majesty's Government sufficient information as to the character of the country, the engineering difficulties, and the considerations of national advantage affecting each, so as to enable them to select intelligently the one which would be the most advisable. When Her Majesty's Government did decide on the third route, and authorised the loan, it became necessary to have more minute surveys, with a view to the actual location of the line, and the letting of contracts. The more general explorations had gone as far as it was possible to push them, previous to the decision of the Imperial Government, as to the adoption of the line, and the new location surveys were prosecuted simultaneously at various points, with the largest force available, and without the loss of a day. Advertisements were issued to intending contractors that the profiles, &c., were being prepared, and notifying them to examine the ground for themselves, in anticipation of the accurate reports of the surveys. When it is considered that the greater portion of the line is through a wilderness of forest, and that the working season is very short, it will be admitted that the surveys and engineering preparations made extraordinarily rapid progress. The total length of the road finally sanctioned is about 488½ miles. As soon as small sections were surveyed, and finally located, advertisements were issued for tenders, and the progress and engagements up to this time, as stated in the report of the Commissioner to whom I refer, will show how rapidly the works have been pushed forward.

By this report it appears—

1st. That a section of 37½ miles, partly undertaken and constructed by an independent Company, has been purchased, and has been running for more than a year, the cash already paid for it being about \$ 800,000.

2nd. That twelve contracts were let in the early part of the year 1869 for 232½ miles more, on all of which substantial progress has been made; the amount of these contracts being about \$ 3,547,022.

3rd. That tenders have been invited by advertisement, for rolling stock estimated to cost \$ 800,000, part of which it is believed is now in course of being built, and that as respects the remainder, offers of ready-made stock may be accepted, and be required to be paid for at any day in cash.

4th. That the rails now being contracted for are estimated to cost \$ 2,500,000.

5th. That the buildings in course of erection, and lands in course of payment, are estimated at \$ 400,000.

6th. That the engineering expenses are about \$ 400,000, making a total outlay or obligations contracted, and in course of payment so far, of \$ 8,537,000, or about 1,750,000 l. sterling. The amount actually paid in cash, exclusive of disbursements for surveys and explorations at the date of the last return, is believed to be about \$ 1,670,000, irrespective of what may have since been paid on the various engagements contracted as already stated.

When the character of the work and the severity of the climate which prevents active operations in winter, the difficulty of obtaining labour, of moving materials and plant in many places through an almost impassable forest,

forest, and of procuring supplies, &c., as well as the peculiar difficulties in the way of locating the exact position of the line, and ascertaining the character of the soil and works to be performed, are considered, it will be admitted that the most untiring energy has been used in pushing on the work. Mr. Brydges, the Commissioner to whom I refer, says in his report:—

“You will see from this statement of what we are doing, that the work is “being proceeded with as rapidly as possible, quite as rapidly as is wise in so “large an undertaking. If we were to attempt to hurry it more than is now “being done, we should let contracts upon insufficient plans, and besides, “disturb the labour market, which is very likely to be difficult enough to deal “with as it is. I have no doubt we shall get the entire line completed, and in “working order during the summer of 1872. It would not be possible, except “at an enormous expense, if it could be done under any circumstances, to “have it completed before that date.”

It will be remembered that the general course of the road was only determined, and the loan for half the estimated cost of the work authorised in July 1868; and if within four years the whole line of 488 miles, running through a country, which by some was stated to interpose such serious physical obstacles as to make them pronounce the undertaking impracticable, is completed and working, it will be admitted that the operations have been prosecuted with remarkable celerity and vigour.

Having thus detailed the facts as far as they are accessible here, with reference to the progress of the work, it may be considered superfluous to prolong this communication, but as his Lordship has requested me to furnish any other information which my knowledge of the subject may supply, I would briefly say that I think a perusal of the papers noted in the margin, and which are doubtless in his Lordship's possession, will establish the following points:—

Report, Minister of Finance, and Minutes of the Privy Council of Canada of the 29th May 1869, the 18th June 1869, and 20th Aug. 1869; and such further Minutes as may have been subsequently communicated to the Colonial Office.

1st. That the work was one in which it was admitted Imperial interests were concerned, but the execution of which was thrown wholly on Canada and that the utmost possible diligence has since been used by Canada to further its progress.

2nd. That it was necessary to contract the loan at the time it was done; that the conditions of its issue, the dates and manner of payment, and placing the instalments, were left wholly to Canada, on whose Government the entire responsibility of completing the work was devolved.

3rd. That it was never proposed to control Canada in regard to the temporary employment of the money; that any such proposal would have been unwarranted by the provisions of the Act authorising the guarantee; and had it been made, that Canada could not properly have accepted the guarantee coupled with any such conditions.

4th. That the financial agents, Messrs. Baring Brothers & Co. and Messrs. Glyn, Mills, Currie & Co., being only able to obtain interest at the rate of 1 per cent. while Canada was paying 4 per cent., that Government made the most judicious temporary use in its power of the amounts deposited, by investing them, partly in anticipating the sinking fund, partly in its own securities, partly in Exchequer Bills which were intended to be issued to the public to pay off liabilities maturing, partly in India Stock, and partly in special deposits at 4 per cent. with its bankers.

5th. As a special, and perhaps superfluous, measure of precaution, and to meet any possible delay in the realisation of any of these securities, the Canadian Government provided credits with their bankers available on demand, for 750,000 *l.* sterling, and also specially laid aside, by order of Council, other securities due by third parties and belonging to the Government, and incomings from special sources of revenue, amounting to upwards of 1,000,000 *l.* sterling more.

6th. That these precautions were dictated by the desire to place the money in the condition of most perfect security while returning some interest that they were at the time deemed to be, and have since been shown, by the result, to have been, wholly unnecessary; because, at no time has Canada had less money lying in cash at her bankers than the amount of the loan, less the expenditure on the works, and she could at any moment have paid the entire amount on demand.

7th. That

7th. That the special sources of revenue anticipated to come in before the money could be spent on the works and the other securities which were laid aside to meet the outlay have much exceeded the estimated amount, and the securities have actually been realised and are now in the shape of cash deposits with the Dominion bankers, on the condition of being drawn for as required for the Intercolonial works.

I learn that the special cash deposit amounts at the present time to about \$4,800,000, the India stock to about \$690,000 beyond a general balance of about \$1,800,000 cash at call with the Dominion bankers, while the Government also holds 300,000 *l.* sterling of Imperial guaranteed bonds, representing an equal amount paid to the Hudson's Bay Company out of its own funds. It thus appears that the amount of cash specially deposited and actually available to meet the outlay on the works, represents, with the India stock and the sums spent, about the full amount of the guaranteed loan.

This, I believe, exhibits in general terms, and as accurately as the means of reference at my command here permit me to give, the actual financial bearings of the case. Under ordinary circumstances I should hesitate to trouble his Lordship with any further observations than a reference to these specific facts; but as the mode in which the money was temporarily used has led to some discussion, I may perhaps be permitted to add one or two words.

The good faith and credit of Canada have never been questioned. She has met all her engagements with punctuality, and the only other amount guaranteed by England has been paid off long ago. Her revenues are ample for all her expenditure. The Imperial Government was satisfied of this fact, because before the guarantee was authorised an examination was made into her affairs, and the Treasury reported their entire satisfaction with them, and actually authorised the investment of the Sinking Fund, applicable for the redemption of the loan, in her own securities, devolving on Canada the undivided duty of constructing the work, and purposely declining all participation in the operations attending it.

The guarantee being given, it would seem to suffice, after this admitted ability to repay the loan, if the money raised was expended on the work as rapidly as its nature warranted; and that complaint would be premature until the work was delayed or left undone, or that there was clear evidence of permanent misapplication.

I am not aware that any of the States, whether European or American, who guarantee the bonds of railway corporations, and who devolve on these corporations the sole duty of performing the works—disclaiming all control or interference with them—inquire into the application of the amounts deposited during the construction of the works, provided these are prosecuted with diligence and good faith.

It is obviously for the interest of the surety that the debtor should so employ the money as to derive a benefit from it, rather than add to his liabilities by the amount of interest unnecessarily lost.

But, apart from the question of interest, it appears to be emphatically stated by Canada that she would not have accepted the guarantee, nor undertaken the work, if it had been accompanied with any such distrust as the controlling of the funds raised would necessarily have implied.

It is said, however, that the difficulty is a technical one, founded on the provision of the Imperial Act which directs an "appropriation" of the money. It is contended that this wording requires a *setting aside in specie of the identical money received*, and will not warrant any intermediate use of it whatever.

Whether such an interpretation of the law be critically accurate or not, I fail to discover in what way it would be practically possible to carry it out, except by a course of dealing exceptionally invented for this case, and utterly at variance with the system of monetary affairs throughout the commercial world.

This point is noticed at length in the Minute of the Treasury Board of Canada of the 11th August 1869, and need not be enlarged upon here.

The system of payment by cheques and through clearing houses, of depositing money with bankers, the use which it is notorious bankers invariably make of their deposits, must all be set aside if the critical interpretation contended for is to be given to this wording of the Act.

It is said that the money could only be invested, if at all, in securities which do not fluctuate. But Consols fluctuate; even the precious metals themselves fluctuate; and could it be supposed to be the intention of Parliament to require this loan to be kept wholly apart in specie, and unproductive during the interval before its disbursement for the purpose it was destined could possibly take place.

Apologising for troubling his Lordship with a communication of so much length, I would but finally remark that it appears from these observations that the sufficiency of the securities provided for the temporary employment of the money is shown by the fact of the conversion of the greater part of them into cash long before the time when the money could be expended on the work; that the greater part of the amount is in special deposit in the only way in which the banking usages of the world permits it to be; and that the balance, partly invested in India Bonds, and represented by cash in the general balances at the credit of Canada with her bankers, is equally available at call.

Sir Frederic Rogers, Bart., K.C.M.G.
&c. &c. &c.

I have, &c.
(signed) John Rose.

CANADA RAILWAY LOAN ACT (1867).

COPY of DESPATCHES from the Colonial Office to the Governor General of Canada, containing the OPINIONS of the LAW OFFICERS of the CROWN respecting the Investment of MONEY raised under the Authority of the CANADA RAILWAY LOAN ACT (1867).

(Mr. Monk.)

Ordered, by The House of Commons, to be Printed,
18 May 1870.

244.

Under 3 oz.

CANADA (RUPERT'S LAND).

STATEMENT of PROCEEDINGS taken by the LORDS COMMISSIONERS of HER
MAJESTY'S TREASURY to give effect to the GUARANTEE of a LOAN for
£. 300,000 authorised by the Act 32 & 33 Vict. c. 101.

Treasury Chambers, }
28 June 1870. }

JAMES STANSFELD.

COPY of TREASURY MINUTE, dated 22nd November 1869.

MY LORDS have before them a Letter from the Colonial Office, dated 5th instant, transmitting, with reference to the Act 32 & 33 Vict. c. 101, entitled "An Act for authorising a Guarantee of a Loan to be raised by Canada, for a Payment in respect of the Transfer of Rupert's Land," copy of an Act of the Parliament of Canada (32 & 33 Vict. c. 1), passed in anticipation of the Imperial Act, by the 3rd section of which, authority is given to raise a Loan not exceeding 300,000 *l.*, on such terms and conditions as the Governor in Council may think advisable, with the approval of the Commissioners of Her Majesty's Treasury; and also copies of the following Reports of the Committee of Privy Council, approved by the Governor in Council:

17th August 1869, appointing Messrs. Baring, Brothers, & Co., and Messrs. Glyn, Mills, Currie, & Co., to act as the Financial Agents of the Dominion, in reference to the Loan of 300,000 *l.* mentioned in the 3rd clause of the before-mentioned Act of the Parliament of Canada.

18th September 1869, accepting the terms of the Imperial Act 32 & 33 Vict. c. 101, which provides for charging the Consolidated Revenue Fund of Canada with certain payments in respect of the said Loan, declaring that the Government of Canada will recommend to Parliament, at its first Session, the passing of an Act to carry into effect, in so far as provision may not be already made by existing Acts or by such Order, the requirements of the said Imperial Act, and appointing T. Baring, Esq., and G. C. Glyn, Esq., Trustees of the Sinking Fund required by the said Act.

20th September 1869, authorising the payment to the Hudson's Bay Company of the sum of 300,000 *l.* out of funds now in the hands of the Canadian Government, provided that Her Majesty's Government assent that such payment shall not interfere with the granting of the Guarantee under the Act 32 & 33 Vict. c. 101.

Lord Granville further states that Mr. Rose, late Finance Minister of Canada, has been authorised to make the necessary arrangements on behalf of the Government of Canada for raising the Loan; and that it has been agreed that the surrender of Rupert's Land by the Hudson's Bay Company shall be made on 1st December next.

My Lords have also before them a letter from Mr. J. Rose, dated 23rd October, expressing a hope that the Board will assent to the Guarantee being given, in order that the Financial Agents may negotiate the Loan prior to the 2nd December next, and submitting a statement of the items and conditions under which it is proposed to raise the said Loan of 300,000 *l.*, together with a form of bond by which the Guarantee of the Board may be carried into effect.

My Lords have also before them the Act 32 & 33 Vict. c. 101, by the 2nd and 3rd sections of which, the Board are empowered to guarantee interest at a rate not exceeding four per cent. on a sum not exceeding 300,000 *l.* sterling,

when

when certain conditions specified therein are provided for by an Act of the Parliament of Canada, or otherwise to the satisfaction of the Treasury.

The Chancellor of the Exchequer states to the Board that Her Majesty's Government are of opinion that the terms proposed for raising the loan of 300,000 *l.* are unobjectionable, and that, provided sufficient proof is afforded to the satisfaction of the Board that this sum has been paid over to the Hudson's Bay Company, by or on behalf of the Government of Canada, and with the understanding, *ob majorem cantelam*, that that Government will recommend to the Parliament of Canada, at its first Session, the passing of whatever further Act may appear to be called for by a strict interpretation of the provisions of the Imperial Act, he would recommend to the Board that their guarantee should be given for the payment of interest at the rate of four per cent. on the sum of 300,000 *l.*, in accordance with the form of bond or debenture submitted by Mr. Rose.

My Lords concur in the recommendation of the Chancellor of the Exchequer, and desire that the Honourable J. Rose should be informed that they have no objection to offer to the manner in which it is proposed to raise the sum of 300,000 *l.*, or to the terms of the bond or debenture; and that they are prepared to guarantee the payment of interest at the rate of four per cent. on the said sum of 300,000 *l.* in the terms of the bond, on the conditions specified by the Chancellor of the Exchequer.

Add, that my Lords have appointed their permanent secretary to carry into effect the guarantee on behalf of the Board.

Prepare warrant, appointing the permanent secretary accordingly.

Acquaint Colonial Office, and add, that my Lords propose that the Under Secretary of State and Auditor of the Civil List, for the time being, should act as Trustees of the Sinking Fund on behalf of Her Majesty's Government.

TREASURY WARRANT authorising the Permanent Secretary to the Treasury to give effect to the Guarantee, and appointing Trustees for the Sinking Fund of the Loan.

After our Hearty Commendation,

WHEREAS, by an Act passed in the Thirty-third year of Her Majesty's reign, entitled "The Canada (Rupert's Land) Loan Act, 1869," it was enacted: That the Commissioners of Her Majesty's Treasury may guarantee, in such manner and form as they think fit, payment of interest, at the rate not exceeding Four per cent. per annum, on any principal money not exceeding the sum of 300,000 *l.*, to be raised by way of Loan by the Government of Canada, for the purpose of payment to the Hudson's Bay Company on the surrender of Rupert's Land; and the Commissioners of Her Majesty's Treasury may, from time to time, cause to be issued, out of the Consolidated Fund of the United Kingdom, or the growing produce thereof, any money required for giving effect to such guarantee:

And whereas, by the Act of the Parliament of Canada, passed on 22nd June 1869, and the several Orders passed by the Governor in Council, in accordance with the 3rd Section thereof, dated respectively 17th August, and 18th and 20th September 1869, provision has been made for the raising, appropriation, and expenditure of the said Loan of 300,000 *l.*, and for making the various sums specified in the aforementioned Imperial Act, a charge on the Consolidated Revenue of Canada, in the order therein specified:

And whereas it has been proved to our satisfaction that the said sum of 300,000 *l.* has been duly paid over to and received by the said Hudson's Bay Company from the Government of Canada:

Now we, being two of the Lords Commissioners of Her Majesty's Treasury, do authorise and empower the Permanent Secretary to this Board, for us, and in our name, to guarantee the due payment of the interest at Four per cent. on the said Loan of 300,000 *l.*, so contracted as aforesaid, and generally to do all acts, matters, and things necessary for effecting such guarantee as aforesaid,

so

CANADA (RUPERT'S LAND).

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so nevertheless that all such acts, matters and things shall be, in all respects, conformable with the provisions of the aforesaid Act.

And we do further appoint the Permanent Under Secretary of State for the Colonies, for the time being, and the Auditor of the Civil List, and Assistant to the Secretaries to this Board, for the time being, to be Trustees of the Sinking Fund of the said Loan, in accordance with the provisions of the aforesaid Act.

Whitehall, Treasury Chambers, this 18th day of June 1870.

(signed) *Lansdowne.*
W. H. Gladstone.

MEMORANDUM.

IN pursuance of the authority conveyed to him by Treasury Warrant, dated 18th June 1870, Mr. R. R. W. Lingen, Permanent Secretary to the Treasury, has attached his signature, testifying the guarantee of the Lords Commissioners of Her Majesty's Treasury to the payment of interest on bonds issued by the Financial Agents of the Dominion of Canada for 300,000 *l.*, authorised to be guaranteed by the said Act.

Treasury Chambers,
21 June 1870.

CANADA (RUPERT'S LAND).

STATEMENT of PROCEEDINGS taken by the
LORDS COMMISSIONERS of HER MAJESTY'S
TREASURY to give effect to the GUARANTEE
of a Loan for £.300,000 authorised by the Act
32 & 33 Vict. c. 101.

(Presented pursuant to Act of Parliament.)

Ordered, by The House of Commons, to be Printed,
29 June 1870.

315.

Under 1 oz.

CORRESPONDENCE

RELATIVE TO THE

RECENT DISTURBANCES IN THE RED RIVER SETTLEMENT.

Despatches from the Governor.

No. 1.

COPY of a TELEGRAM from Governor the Rt. Hon. Sir JOHN YOUNG, Bart.,
to Sir F. ROGERS, Bart., K.C.M.G.

CANADA.

No. 1.

Halifax, August 20th, 1869.
(Received August 20th, 1869.)

Fix date of transfer of Hudson Bay Company for first December. Privy Council so
desire.

No. 2.

No. 2.

EXTRACT from a DESPATCH from Governor the Rt. Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G., dated Halifax, 25th August, 1869. (No. 87.)

(Received 6th September, 1869.)

1. I beg to state that, on the 20th inst., I sent the following Telegram to Sir
Frederick Rogers at the Colonial Office :—

“Fix date of transfer of Hudson’s Bay Company for 1st December. Privy Council
“so desire.”

2. It was deemed expedient to change the date from October 1st to December 1st, in
order to give more time to complete the financial and other arrangements consequent on
the transfer.

3. Although the Bill, guaranteeing the £300,000, has received Her Majesty’s
sanction, it will take some time (especially as the suggested interchange of money for
the Intercolonial Railway Loan cannot be admitted) to make the arrangements that
must be made for putting the Loan on the Market and raising the money.

* * * * *

CANADA.

No. 3.

No. 3.

COPY of a DESPATCH from Governor The Rt. Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 132.)

Government House, Ottawa, Canada,
17th November 1869.

(Received 3rd December, 1869.)

(Answered, No. 229, 13th December, 1869, page 173.)

My LORD,

28th Sept.,
1859.

1. I have the honour to forward herewith a Copy of an approved Minute of the Privy Council for Canada, with reference to the preliminary Instructions addressed to the Honourable W. McDougall, C.B., on proceeding to the North-West Territory.

2. Mr. McDougall was the Minister for Public Works in the Dominion Government, but will assume the office of Lieutenant-Governor of the North-West Territory, so soon as the transfer takes place.

I have, &c.,

(Signed) JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c.

Enclosures
in No. 3.

Enclosures in No. 3.

COPY of a REPORT of a COMMITTEE of the Honourable the PRIVY COUNCIL approved by His
EXCELLENCY the GOVERNOR-GENERAL in Council on the 28th September, 1869.

The Committee have had under consideration the annexed Draft of a Letter proposed to be addressed by the Secretary of State for the Provinces to the Honourable William McDougall as his preliminary Instructions on proceeding to the North-West Territories, and on the recommendation of the Honourable the Minister of Justice advise that the same be approved by your Excellency.

(Certified) WM. H. LEE, Clerk P. C.

SIR,

Office of the Secretary of State for the Provinces,
28th September, 1869.

1. As you have been appointed Lieutenant-Governor of the North-West Territories, in anticipation of the formal transfer of those Territories by Her Majesty to the Dominion of Canada, and, as it is expected that such transfer will be made within the course of the next two or three months, I have the honour, by command of His Excellency the Governor-General, to inform you that it is desirable that no time should be lost in making the necessary preliminary arrangements for the organization of the Government of the Territories.

2. With this view, I am to instruct you to proceed with all convenient speed to Fort Garry, in order that you may effectually superintend the carrying out of the preliminary arrangements indicated in the preceding paragraph, and be ready to assume the Government of the Territories on their actual transfer to Canada.

3. On your arrival at Fort Garry, you will place yourself at once in communication with Mr. McTavish, the Governor of the Hudson's Bay Company, and notify him of your appointment; you will at the same time offer seats in your Council to Mr. McTavish, and to Mr. Black, or other Chief Judicial Officer of the Hudson's Bay Company now in the Territory. Should either or both of these gentlemen decline to accept office, you will submit, for the consideration of His Excellency, the names of one or two other Officers of the Company whom you consider eligible to act as Members of your Council. You will at the same time submit the names of several of the residents of character and standing in the Territory, unconnected with the Company, qualified to act as Councillors, giving particulars respecting them, and stating their comparative merits.

4. You will have the goodness to report with all convenient speed, for the information of His Excellency, on the state of the Laws now existing in the Territories; transmitting copies of any Laws, Ordinances, or Regulations of the Company now in force there, together with a full Report as to the mode of administering Justice, the organization of the Courts, the number and mode of appointment of Justices of the Peace, the Police arrangements, and the means adopted for keeping the peace, &c.

5. In preparing the Report on the matters referred to in the preceding paragraph, it will be well that you should confer with the Chief Judicial Officer of the Company in the Territories.

6. You will have the goodness to report also upon the System of Taxation (if any) now in force in the Territories, the system of licensing shops, taverns, &c.; the mode of regulating or prohibiting the sale of wines, spirituous and malt liquors, and further as to the mode of keeping up the roads, and generally on the municipal organization (if any) existing in the Territories.

7. You will also make a full Report upon the state of the Indian Tribes now in the Territories, their numbers, wants, and claims; the system heretofore pursued by the Hudson's Bay Company in dealing

RED RIVER SETTLEMENT.

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with them; accompanied by any suggestions you may desire to offer with reference to their protection, and to the improvement of their condition.

CANADA.

8. You will have the goodness to report also on the nature and amount of the Currency or circulating medium now employed in the Territories, and of the probable requirements of the Territories in that respect in the future.

9. You will also report on the System of Education (if any) which now obtains in the Territories.

10. You will also please to report as to such lands in the Territories as it may be desirable to open up at once for settlement, transmitting a plan of such Survey as may be necessary, with an Estimate of the cost of survey, a statement of the conditions of grants of land and settlement; the Plan should show the number of townships it is proposed to lay out at once, the size and situation of the townships, and the size of the lots, making the necessary reservation for churches, schools, roads, and other public purposes.

11. You will also report upon the relations at present existing between the Hudson's Bay Company and the different religious bodies in the Territories.

12. You will also report as to the number of Officers now employed by the Hudson's Bay Company in the administration of the Government of the Territories, stating the duties and salaries of such officers, and specifying those who should, in your opinion, be retained. You will also report as to the number of persons whom it will be necessary hereafter to employ in the administration of the Government; and you will report generally on all subjects connected with the welfare of the Territories, upon which it may seem to you desirable to communicate with the Government of the Dominion.

13. It is desirable that you should take immediate measures for the extension of the Telegraph System from the Territory to Pembina, and for its connection at that place with the System of the American Telegraph Company or Companies, making any provisional arrangements for that purpose that may be necessary, and forwarding a copy of such arrangements to this Department for confirmation by His Excellency.

The Honourable Wm. McDougall, C.B.

No. 4.

No. 4.

COPY of a TELEGRAM from Governor the Rt. Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

November 23rd, 1869.

McDougall, who has been designated Lieutenant-Governor of North-West Territory when transferred, has been stopped on his way to Fort Garry by a small force of armed insurgent half-breeds. Authorities of Hudson's Bay Company, with whom the Government still rests, are apparently inactive and powerless. Provisional Committee of Government: John Bruce, President, has been appointed by half-breeds. MacTavish, the Governor, is very ill, and reported to be dying.

No. 5.

No. 5.

COPY of a DESPATCH from Governor the Rt. Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 134.)

Government House, Ottawa, Canada,
25th November, 1869.

(Received 8th December, 1869.)

(Answered, No. 7, 8th January, 1870, p. 173.)

MY LORD,

I have the honour to transmit, for your Lordship's information, copies of all the Correspondence up to this date, in the possession of the Canadian Government, relating to the obstruction offered to Mr. McDougall's (the designated Lieutenant-Governor) entrance into the North-West Territory by a portion of the French half-breeds.

Affairs have, however, advanced since the dates given, and we have learnt from other sources that the armed half-breeds, encouraged, as is alleged, by some of the French Priests, have formed a Provisional Government, defied the Hudson Bay Company authorities, and taken possession of the Fort and Stores.

The English and Scotch half-breeds have taken no part in this movement, but are unwilling to come into armed collision with the insurgents; even the French half-breeds themselves are stated to be divided in opinion.

There are no Indians near the place, and their opposition, in any case, to the French half-breeds may, I am informed, be entirely relied upon.

The most extravagant mis-statements have been circulated about the intentions of the

Sec. of State
for the Pro-
vinces, 22nd
Nov., 1869.

CANADA.

Canadian Government, and misapprehensions created which there will be some difficulty in removing. The Ministers have, as a preliminary, decided upon sending up emissaries well known to, and personally liked by, these French half-breeds, to confer with them and, if possible, disabuse their minds of the erroneous impressions that have been made upon them.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

P.S. I beg to enclose some Newspaper extracts, which contain a review of the subject.
I also enclose copies of two Telegraphic Messages just received on the same subject.

Enclosures
in No. 5.
Hon. Mr.
McDougall.
Pembina, 31st
Oct., 1869.
Hon. Mr.
McDougall.
Pembina, 4th
Nov., 1869.
Sec. of State
for the Pro-
vinces.
19th Nov.,
1869.
18th Nov.,
1869.

(No. 995.)
SIR,
I have the honour to transmit to you herewith, a Copy of the Correspondence between the Honourable Mr. McDougall and this Department since the arrival of the former at Pembina *en route* for Fort Garry.
The Enclosures mentioned in Mr. McDougall's Letter of the 31st ultimo are also transmitted.
In addition to the Official Correspondence, I send a Copy of a Letter from Mr. Sanford, of Hamilton, giving further details about the matters referred to in Mr. McDougall's Letters.
I have, &c.,
(Signed) JOSEPH HOWE,
Secretary of State.

Enclosures in No. 5.
Ottawa, 22nd November, 1869.

F. Turville, Esquire, Governor's Secretary.

SIR,

Hudson Bay Post, Pembina,
October 31st, 1869.

I have the honour to report my arrival at this place last evening, where I have determined to remain for a short time, in consequence of the events hereinafter detailed.

Rumours of hostile movements on the part of the French half-breeds against the authority of the Canadian Government, reached me at several points between St. Paul and Pembina, but they were so wild and contradictory that I gave little heed to them.

I met the Hon. Joseph Howe on his return from Fort Garry, about half a day's journey south of Georgetown, in the open prairie. As the weather was stormy we had only a very short interview. He stated that the people of Red River Settlement were well-disposed towards the Canadian Government, but, from some circumstances of which he would advise me by Letter from Fort Abercrombie, the feelings of a certain section of the population had been excited, and that delicate handling would be necessary to allay them. He did not state, and apparently did not anticipate, that there was any danger of an armed insurrection before my arrival at Fort Garry.

At a point about thirty miles from this post where I camped for the night, I met a Mr. Lanford, of Hamilton (Ontario), who put into my hands Despatches, of which the enclosed are copies (marked A, B, C, D). He stated, also, that he was stopped at Scratching River (about fifteen miles from Fort Garry) by a body of armed men, who had thrown a barricade across the road, and who expressed their determination to prevent me from passing that point. He had no doubt of their intention to carry out their threats by force, if necessary.

His Report of the state of feelings among the French half-breeds, and of the movements of the Insurgents, confirmed generally the statements in the enclosed Papers.

On my arrival at the American Customs House at Pembina, a half-breed, who had been waiting there for the last three or four days, put into my hands a Letter, of which the Paper marked E is a Copy, and immediately disappeared. I paid no attention to his Letter, but, as soon as the proper entries had been made by the Collector, proceeded to the Hudson Bay Company's Post about two miles distant, and within the "Territory of the North-West." Here I found another Despatch (marked F), with a Note from Colonel Dennis (marked).

This morning I determined to send Mr. Provencher (who with Mr. Richards and Captain Cameron accompanied me from Port Abercrombie to this place) to Fort Garry, if permitted to go so far, with a verbal message to Governor McTavish announcing my arrival within his jurisdiction, and claiming his protection for myself and party. Mr. Provencher was instructed to ascertain from the Insurgents by a friendly conference, if possible, their object, and the extent of the force at their command. He was instructed to assure them of the determination of the Government to deal justly with all classes, and to respect existing rights without reference to race or religion. But he was to explain to them that until the New Government was organized, and so long as they remained with arms in their hands, no Official communication could be had with them by me or any one on my behalf. Mr. Provencher left this morning about 8 o'clock, with a reliable guide who is well acquainted with the country and the half-breeds of the Settlement.

I shall remain here with Mr. Richards and the balance of my party until I hear from Mr. Provencher, or learn from other sources that the Insurgents have dispersed.

RED RIVER SETTLEMENT.

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I have further to report that Captain Cameron of the Royal Artillery, who accompanied me in his own conveyance for the greater part of the way from St. Cloud, and who expects to hold an appointment under the Government, determined this morning to proceed to Fort Garry on his own responsibility. I endeavoured to dissuade him from making the attempt until we had some assurance that the road would not be obstructed, but he persisted in making preparations for the journey, whereupon I addressed him the following Note, (marked G).

After reading my Note he said he would take all risks, and proceeded on his journey, taking with him his wife and two servants.

I have just heard that I am to have a visit to-morrow from the Chief of a band of Chippewa Indians, who claim title to a large tract of country, extending from the boundary line at Pembina towards Fort Garry. I have agreed to *talk* with him, and will report the result of my interview in due course.

I have, &c.,

(Signed)

WILLIAM McDOUGALL.

The Honourable the Secretary of State
for the Provinces, Ottawa.

November 1st, 1869.

POSTSCRIPT.—Colonel Dennis and Mr. William Hallett have just arrived from Fort Garry, having made a detour over the Prairie, in order to avoid the armed party at Scratching River. The situation is but little changed, except that the attempt of the Insurgents to rally the Indians to their side has failed. Two Chiefs who obeyed their summons returned home, refusing to take part in the movement when they had ascertained its nature.

I have just had a long talk with the Chief of the tribe who claim the country in this neighbourhood. They repudiate all sympathy with the half-breeds who are in arms.

In haste,

(Signed)

WILLIAM McDOUGALL.

(A.)

MEMORANDUM of FACTS and CIRCUMSTANCES connected with the active Opposition by the FRENCH HALF-BREEDS in this Settlement to the prosecution of the GOVERNMENT SURVEYS.

Fort Garry, October 11th, 1869.

This day about 2 P.M. a messenger arrived, Mr. Farmer, Chairman of Mr. Webb's party, employed in surveying the base line, or parallel of latitude, between townships 6 & 7 east of the meridian, on which service the party left a week ago to-day, bringing the unwelcome information from Mr. Webb that his further progress with the Survey had been stopped by a band* of some eighteen French half-breeds, headed by a man named Louis Riel.

Mr. Webb had projected the line to about the Fourth Section in Township 7, Second Range East, and being within, say, two and a half miles of the Red River, when this occurrence took place.

He was ordered by the leader of the party at once to desist from further running the line, and in fact notified that he must leave the country on the south side of the Assiniboine, which country the party claimed as the property of the French half-breeds, and which they would not allow to be surveyed by the Canadian Government.

No arms were seen with the party, but by standing on the chain and using threats of violence if the Survey was persisted in, it became evident that to go on with the Survey would probably have led to a collision, and Mr. Webb, in accordance with written instructions which I had previously given him, to provide for any such contingency, discontinued his work, and as the half-breeds would not allow him to remain encamped where he was, moved his camp out to the main road on the Red River, waiting for orders, having sent off in the mean time Mr. Farmer, as above stated.

I at once waited on Dr. Cowan, the Chief Magistrate in the Settlement, and laying the facts of the case before him, requested that he would consult with the Governor, or such other Magistrate as he might think desirable to call in, and take such further steps with regard to this outrage as he and they might think called for under the circumstances.

I remarked to Dr. Cowan, at the same time, that I questioned whether, owing to the unsettled relation of the land tenure as regarded the half-breeds and Indians, and the peculiar irritation or sensitiveness that existed on the part of the French half-breeds in view of the transfer of the Territory and the assumption of the Government by Canada, it would be politic to take harsh measures towards the offenders in this case; but stated that, as he and his brother Magistrate knew the temper and feelings of the people in the Settlement generally, I left the matter in their hands, satisfied that they would do what would seem most advisable under the circumstances.

Before I left Dr. Cowan it was settled that he would call in another Magistrate, Mr. Goulet, and consult with him as to what course to take.

Tuesday, 12th October.

I waited on Dr. Cowan this morning about 11 o'clock, and was informed that he and Mr. Goulet had thought it best to send for Riel the *leader*, and ascertain what the party meant by this proceeding, and

* Names of Band:—Louis Riel, leader, De Saugré and Son, Baptiste Nona, Baptiste Treuau and three Sons, François Charest, Bideau Non, Edward Morin, Mannin Non, Janvive Richot, Benjamin Non; three others, names not known.

CANADA. explain to him and them the serious character of the offence of which they had been guilty, and endeavour quietly to obtain a promise that no further opposition should be made to continuing the Survey.

The Magistrates had done so accordingly, but had failed either to extract from him any rational excuse for their proceeding (beyond the assertion that the Canadian Government had no right to make Surveys in the Territory without the express permission of the people in the Settlement) or any promise that their opposition would be withdrawn.

Dr. Cowan stated further that Riel was to be back at 2 o'clock, when he, the Doctor, if Riel still refused to listen to reason, would bring in the influence of Governor McTavish, whose health being in a critical condition, he had desired should not be troubled, if it could be avoided.

Wednesday, October 13th.

Dr. Cowan informed me this morning that the interview of himself and Governor McTavish with Riel in the interview which had taken place yesterday had been in no respect satisfactory; that Riel still persisted that injustice was being done by the Canadian Government, and utterly refused to withdraw from the position he and those under him had taken.

Dr. Cowan said he should now apply to the Father Superior Lestanc, in charge of the diocese during the absence of Bishop Taché, and that he felt sanguine that the Reverend Father—if so disposed—could put a stop to the trouble at once.

It being important that I should no longer delay visiting another of my parties under the charge of Mr. Hart, engaged in projecting the meridian up near Shoal Lake, on which service, had this trouble not occurred, I should have left on the afternoon of the 11th instant, I determined to leave to-day, desiring Dr. Cowan, after consulting with Father Lestanc, to send a note to my office stating the result, and, instructing Mr. Webb accordingly, I started on the service above-mentioned.

October 14th to 20th, both inclusive.

Absent at Shoal Lake, and examining country between that lake and Lake Manitoba.

October 21st.

Having returned to the Settlement late last night, I found Dr. Cowan's efforts with Father Lestanc had been without avail, the Reverend Father declining to attempt to use any influence with the party of half-breeds in question.

Dr. Cowan informed me that the Reverend Father, in explanation of his refusal, said that any such attempt, in consequence of an idea which possessed the half-breeds that the Company was in collusion with the Canadian Government, would have a tendency to impress them with the idea that the Church also was in sympathy with the Government, and so might lead to weakening their influence over their people in a religious point of view.

Dr. Cowan had written a note (see same, dated 15th October), announcing the entire failure of his endeavours to get over the opposition of the French Settlers to the Survey, in consequence of which Mr. Webb, according to my instructions in such event, had withdrawn his party to the north side of the Assiniboine, and was proceeding with the surveying of the Settlement north of Fort Garry, to which no opposition was offered.

Such is the present condition of affairs.

Same day, 4 o'clock, P.M.

The High Constable, Mullinan, has just come in to inform me, as a matter of duty, that a meeting took place yesterday at the house of a French half-breed named Bruce, on the other side of the river, by a number of the disaffected French party, among whom the man Riel was conspicuous.

That at such meeting it was resolved to send an armed party to meet the Governor, whom they expected to come in to-morrow, and to prevent, at all hazards, his entering the Settlement.

Under these circumstances, not wishing to identify myself with any one of the three parties into which the people in the village are evidently divided, and who have no sympathy with each other, either socially or politically, I called in the counsel of two Canadian gentlemen, Messrs. Sanford and Turner of Hamilton, who had accompanied Mr. Howe on his visit, and remaining behind that gentleman, were still in the Settlement.

He considered that the circumstances called for immediate and vigorous action on the part of the authorities, and it was arranged that Mr. Turner and I should wait upon Judge Black, and inform him of the intended outrage.

We found Judge Black at his residence some four miles down the Settlement, and laid the matter before him, and it was arranged that he should wait upon the Governor and Dr. Cowan early to-morrow morning to concert measures to defeat the object of the refractory half-breeds.

On our return there were reports confirmatory of the statements we had heard.

Friday, October 22nd.

I met Judge Black, Governor McTavish, and Dr. Cowan this morning at the Fort by appointment, when the matter was fully discussed in all its bearings; and, in view of the serious aspect of affairs, the Governor thought it only proper that a meeting of the Council of the Colony should be convened with the least possible delay, and upon their advice and action such further steps should be promptly taken as should effectually prevent the perpetration of the gross outrage intended.

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In evidence of the object intended by this armed party, reference is called to the Affidavit of Mr. * * * * a Copy of which is hereto annexed, which was made during the afternoon, the original having been sworn to before Dr. Cowan, and remaining in his possession.

CANADA

This Affidavit was further corroborated by a statement made about 4 P.M. by Mr. Lyons, merchant of the village, who on his way from Pembina to-day found a body of armed men in possession of the roadway near the crossing of the River Sale across which they had thrown a barricade, through which barricade they were not allowed to pass without explanation, and giving satisfactory assurances that a stranger who formed one of the party was not connected with the Canadian Government.

The Meeting of Council Governor McTavish called for Monday, the 25th instant, it being stated that some of the members resided at such a distance that it could not be convened at an earlier date.

Red River Settlement,
October 23rd, 1869.

I have, &c.,
(Signed) G. DENNIS.

(B.)

DEAR SIR,

Fort Garry, 15th October, 1869.

I very much regret to say that we have failed entirely in our endeavours to get over the opposition of the French Settlers to the Survey.

Governor McTavish has done all in his power in the present state of his health, and every effort has been made by Mr. Goulet and myself to persuade these men, but to no purpose.

I believe that they are now of opinion that we are influenced unduly in favour of the Canadian Government, so that it is in vain for us to have any further conferences with them at present.

Col. Dennis.

I remain &c.,
(Signed) WILLIAM COWAN.

(C.)

MY DEAR COL. DENNIS,

Monday afternoon.

Your note has just been handed me, and of course, if you wish it, I will be very glad to see you after the meeting of Council, which will probably not be over before two o'clock, but I will send down and let you know. Matters, from information that has reached me, look serious, but it is very difficult judging of affairs of this kind here, and sometimes when the case looks bad the whole thing subsides. I have seen too many difficulties here got over quietly, to despair until the worst has taken place, but I must allow there are incidents in the present case that have not been in former troubles.

Yours truly,
(Signed) W. MCTAVISH.

RED RIVER SETTLEMENT, }
To Wit.

(D.)

* * * Maketh oath, and saith

During the afternoon of yesterday, some twenty men or thereabouts, fully armed, made their appearance at the crossing of River Salé, on the road between here and Pembina, near the Tannery of the Deponent; and other and smaller parties of men, also armed, kept coming in during the afternoon and evening, till as many as forty were in the party.

That the said party of forty men are now billeted (or were when the Deponent left home this A.M., at which time they had sent off some men for more provisions) round in the adjacent houses.

That the men composing the said party, deponent believes, all belong to the parish of St. Norbrot above mentioned, and St. Vital, and that the avowed object of their meeting in arms and waiting at the said point was to turn back the new Governor Mr. McDougall, and not allow him to enter further into the Colony. One of the men, in conversation with the Deponent, who was naturally anxious to find out the meaning of such an assemblage with arms in their hands, told the Deponent the above was their object, and further said that if the Governor persisted in attempting to come further than that point, *i.e.* the crossing of the River Salé, they would shoot him.

The Deponent saith further that he was informed by this party, and believes the same (inasmuch as he saw a number of horsemen passing previously), that another party mounted, supposed to consist of twenty men or more, are now in advance somewhere about Scratching River, accompanied by a man named Riel, whose intention it is to stop the Governor and submit to him several questions or rather demands, in the event of refusing which he is to be warned not to proceed.

There is a further and third party between the two points mentioned, which this Deponent, from information received, believes to number forty men.

Should the Governor persist in coming forward, notwithstanding repeated warnings, these parties will fall back on the reserve at the River Salé, and there final action will be taken as above mentioned, should he still further endeavour to force his way on to the Settlement.

The Deponent further saith, that among other houses in the vicinity where certain of the forty men at the River Salé are billeted, ten of the armed party find quarters at the house of the curé, Rev. Père Ritchot.

Finally, that this Deponent seriously believes that the said men are truly in earnest, and that, without prompt action be taken by the Authorities to avert the same, a serious calamity is about to

8 RECENT DISTURBANCES IN THE

CANADA. ensue in an outrage which may be of a fatal character on the person of the honourable gentleman now about entering the Colony to assume the charge of the Government.

Sworn before me at Fort Garry, } (Signed) WILLIAM COWAN, J.P.
this 22nd day of Oct., 1869. }

(E.)

MONSIEUR, Datée à St. Porbert, Rivière Rouge, ce 21^{ème} Jour d' Octobre, 1869.
Le Comité National des Metis de la Rivière Rouge intime à Monsieur Wm. McDougall l'ordre de ne pas entrer sur le territoire due Nord Ouest sans une permission spéciale de ce Comité.
Par ordre du President John Bruce.
A Monsieur . MacDougall. LOUIS RIEL, Secrétaire.

(F.)

Wednesday, 27th October, 1869.—(Noon.)

Have just returned from a visit to the lower part of the Settlement on the west side of Red River, having left yesterday afternoon.

Called upon * * * * * and others.

From the conversations had with these different gentlemen, I am satisfied that the general disposition is in favour of receiving the incoming Government with respect, but there is no enthusiasm.

The attitude of the English-speaking portion of the Colony may, I think, be fairly stated as follows:

They say, We feel a disposition to extend a sincere welcome to the Hon. Mr. McDougall, as the gentleman who has been selected for our future Governor.

We regret sincerely that the good name of the Colony should be prejudiced by any such action as that we are told is contemplated by a portion of the French half-breeds.

We consider it a most outrageous proceeding on their part, and one that we would be glad to see, if possible, put a stop to. At the same time, should an appeal to arms be necessary, we could hardly justify ourselves in engaging in a conflict which would be, in our opinion, certain to resolve itself into one of nationalities and religions, and of which we could hardly at present see the termination.

We feel this way; we feel confidence in the future administration of the Government of this country under Canadian rule. At the same time, we have not been consulted in any way as a people, in entering into the Dominion.

The character of the new Government has been settled in Canada without our being consulted. We are prepared to accept it respectfully, to obey the laws and to become good subjects; but when you present to us the issue of a conflict with the French party, with whom we have hitherto lived in friendship, backed up as they would be by the Roman Catholic Church, which appears probable by the course at present being taken by the priests,—in which conflict it is almost certain the aid of the Indians would be invoked, and perhaps obtained by that party,—we feel disinclined to enter upon it, and think that the Dominion should assume the responsibility of establishing amongst us, * which it and it alone has decided upon.

* sic. in orig.

At the same time we are ready, should the Council make an appeal to the Settlement, to prevent the gross outrage contemplated by a large mounted deputation, unarmed, to meet and escort the Honourable Wm. McDougall to Winnipeg, and thus show to the Settlement * of the English-speaking portion of the Colony is entirely opposed to the present threatening movement by a portion of the French half-breeds; we will cheerfully and promptly respond to the call.

* sic. in orig.

7 P.M.

Mr. * * * has just come in, and reports that about eighty of the French party who are opposed to the views of the Insurgents, met by invitation at the camp of the disaffected to-day, but that their remonstrances and appeals to get them to disband were entirely without avail.

Several priests were present, among others Père Lestanc, the Father Superior. Père Lestanc took little or no part in the proceedings one way or another; some of the others were less scrupulous, Père Richot declaring in favour of the stand taken, and called upon the insurgents to maintain their ground.

The appeals of this priest,* and of the leaders of the Insurgent party, had the effect of even withdrawing, then and there, some twenty, or thereabouts, of Mr. Dease's party over to their side.

Mr. * * * thereupon withdrew his party from the ground, and they accordingly went into camp a short distance nearer to Fort Garry, where they are at present.

Mr. * * * previous to coming to me, states that he had an interview with Governor McTavish, in which he expressed the determination of his party to remain together, and, if possible, to overawe the others, with which view he requested a supply of arms and ammunition.

He proposes, if these are granted to his party, to escort the Governor in. His proposition is for a number of his men, say fifteen, to ride down towards Pembina and meet Mr. McDougall, and escort him straight to his residence on the Assiniboine, passing by the "Old Crossing" over

* * * * another leader of the Dease party, testifies that on this occasion the priest raved and tore his gown, addressing the assemblage in the most frantic and excited manner.

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the River Salé, possession of which, as it is understood that there are a few men of the Insurgents now at that point, should previously have been taken by another party of his men.

He does not fear that Mr. McDougall will be interfered with at any other point.

He thinks that once on the north side of the Assiniboine at his own house, or at the Fort, five miles lower down, Mr. McDougall would not be subjected to any indignity.

I accompanied Mr. Dease to the Fort, and had an interview with Governor McTavish, at which Dr. Cowan was present, when Mr. Dease's proposition was discussed.

The Governor, who was very feeble, and is evidently feeling the responsibility and delicacy of his position, determined to consider the matter to-night, and to call in the aid of some Members of the Council to-morrow morning, and decide what course was best to be pursued.

It is worthy of remark that Mr. Dease expressed his conviction, from what had fallen from the lips of the Insurgent leaders, that it would not be a matter of much regret to them,—implying that they would feel it a relief rather than otherwise, owing to the evident division among the French element,—were the Governor to find his way into the Settlement by another route.

Mr. Dease remarked to me that as his party were entirely without provisions, and he feared that if they were obliged to go home it might be difficult to get them together again, and so prejudice the position in favour of the Insurgents, and I agreed to send him a small supply to-morrow morning for their sustenance, until the Council should have decided on the course to be taken.

There was no determination come to by Governor McTavish as to furnishing his party with arms.

I understood that there was three or four hundred stand of arms—the old "Brown Bess," with ammunition, at present in the Fort.

I may say further that I sent * * * a man of influence among the French half-breeds and Indians—himself a French half-breed, but favourable to our cause, up to the French Settlement on the "White Horse Plains," on the Assiniboine,—yesterday to use his influence to prevent the people there from coming down to help the Insurgents. He returned to-day, and the result of his mission is given in the annexed Paper.

(Signed) J. S. DENNIS.

MEMORANDUM RESPECTING * * * VISIT TO THE WHITE HORSE PLAINS.

Tuesday Evening, October 26, 1869.

Came from the road—from Magan's, Buston's, and go to bring the horse from the church to the water. The nuns see him water his horse; they run to him and ask him "Did you come from St. Vital," they said to him, "to join the people? and do not let the Governor cross the lines or come into the country—he will speak and say many things to please you, fill his mouth with sugar, but he will do you much harm when he gets in."

They told the people to get their arms and take them with them, supplied them with provisions, bags of pemican, &c. They got arms from Cowley—about twenty-eight or forty people.

Priest Cabina spoke against * * * letter to Buston, saying that Sherman wanted to blind the people.

Note.—* * * knows about this—ask him.

Heard the priests and nuns declare, both, that the Bishop had sent letters from Canada, that the Governor was not to be allowed to come into the Territory.

MY DEAR MR. MCDUGALL,

October 27, 11 A.M.

The enclosed will bring matters up to last evening. This morning Mr. Dease has been with me to say that Governor McTavish has decided to make an appeal to the people to obtain a large unarmed party to go down and escort you through; in which case it will, no doubt, be responded to generally. But this may take two or three days, as some parts of the Settlement are so distant.

In the mean time, till further fully advised to the contrary, you would only prejudice the chances of a quiet settlement of affairs by endeavouring to force your way on.

I will endeavour to keep you informed every day in some way or other, and you need only be patient, if you can.

The bearer, who is reliable, will give you an accurate account of the state of things on the road.

Most truly yours,

(Signed) J. S. DENNIS.

If I find I can be of less use here than with you, I will at once go down to meet you.

J. S. D.

Hon. William McDougall.

SIR,

Pembina, October 31, 1869.

I have the honour to inform you that information has reached me, of the truth of which I have no doubt, that the road to Fort Garry is barricaded, and in possession of a party of Insurgents, who threaten to arrest and turn back the Representatives and Officials of the Canadian Government. I have determined to await at this place communications from the Local Authorities at Fort Garry, who advise that any attempt to force a passage under present circumstances would embarrass their proceedings.

As you will probably be regarded as an Official of the Canadian Government, I am of opinion that

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you will incur some personal risk, and may cause some embarrassment to the loyal and peaceably disposed in their efforts to quell the outbreak, by provoking a collision at the present moment.

I do not make any order in your case, as I have no authority to direct your movements; but I wish to relieve myself of all responsibility for the consequences of your attempt to proceed immediately to Fort Garry.

Captain D. R. Cameron, R.A.

I have, &c.,

(Signed)

W. McDougall.

MY DEAR SIR,

Pembina, 4th November, 1869.

Having been engaged during the day in arranging for a temporary residence on the American side of the Line, and in writing to the Authorities at Fort Garry, I find I have only a few minutes left to catch the Mail of to-day. Important events have occurred since my Report of the 31st instant. On the 2nd instant a body of armed half-breeds galloped up to the Hudson Bay Post and demanded an audience with me. Two of the leaders were admitted, and told me they had been sent to order me out of the North-West Territory. When I asked who sent them, they replied, the Government. To my question, What Government? they said, "The Government they had made." They said I must leave by nine o'clock next morning. I explained my position; but they were evidently very ignorant, and had come for one object, viz., to compel me to leave the Territory. In the morning they appeared at the gate with arms in their hands, and loudly demanded that we should leave, as after nine o'clock they would not answer for our lives. We accordingly put our horses to our waggons, and drove across the Line, accompanied by a portion of the party with arms in their hands.

We are now encamped on American territory, waiting the issue of events. As soon as I hear from the Authorities at Fort Garry what action they or the people have taken on hearing of this outrage, I shall determine my course. The weather is still fair, but winter may set in at any moment. Mr. Provencher and Captain Cameron were sent back from the barricade under escort, and are now here. There is a strong sympathy among the people here with the Insurgents. We are not free from peril; but will not run away so long as we see that any purpose can be served by our presence here. In haste.

The Secretary of State for the Provinces.

Very respectfully,

(Signed)

W. McDougall.

SIR,

Ottawa, 19th November, 1869.

I had the honour to receive this morning your Despatch of the 31st ultimo, covering Colonel Dennis' Report and other Papers relating to the obstructions opposed to your progress through the country lying between Pembina and Fort Garry.

Those Papers were promptly submitted to the Privy Council, and I am instructed to convey to you their entire approval of the judgment and prudence displayed by you in the trying circumstances in which you were placed.

At this distance from the scene of disturbance any instructions that could be sent to you would only embarrass you, and restrain your freedom of action. You will therefore exercise your own judgment, and decide on the instant, as circumstances change, what is best to be done.

The Government entertain the hope that the opposition presented will be withdrawn when the prejudices aroused have been allayed by frank explanations; and in the mean time they would deeply regret that blood should be shed, or that any hasty or intemperate exercise, even of lawful authority, should, in the transfer of the Country, array the feelings of any large portion of the people against your administration.

As matters stand you can claim or assert no authority in the Hudson Bay Territory until the Queen's Proclamation, annexing the Country to Canada, reaches you through this Office. It will probably be issued on the 2nd of December, and will be forwarded by a safe hand as soon as received. You had better inform Governor McTavish that you are only proceeding to Fort Garry on the assumed consent of the Company and its Officers, and, having stated the facts, await his answer. If he either declines to admit you, or is powerless to give you safe conduct, stay where you are till further advised.

In due time, no doubt, when all peaceful means have been exhausted, should it be necessary, the power of the Crown will be exerted, and the authority of this Government maintained. In the mean time let me hear from you by every Mail, and inform me by what safe means we can communicate with the least possible delay.

Hon. Wm. McDougall.

I have, &c.,

(Signed)

JOSEPH HOWE,

Secretary of State for the Provinces.

MY DEAR WHELOCK,

Ottawa, November 19th, 1869.

Send this by a safe hand as quickly as you can, so that it may not be stopped or tampered with by the way.

Yours truly,

(Signed)

JOSEPH HOWE,

Secretary of State for the Provinces.

Say nothing of this; the expense will be paid.

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CANADA.

Copy of a TELEGRAM from MR. JOSEPH HOWE, Secretary of State for the Provinces, to
MR. W. E. LANFORD, Hamilton.

November 20th, 1869.

Letter received, thanks; telegraph any new facts.
Need not come here.

Copy of a TELEGRAM from MR. JOSEPH HOWE, Secretary of State for the Provinces, to
MR. JOSEPH WHELOCK, St. Paul, Minesota.

November 20th, 1869.

Letter for you mailed to-day. Should Governor McDougall return to St. Paul, request him to remain there till he hears from me. Telegraph any authentic news from frontier. They will charge tolls to this Office.

MY DEAR MR. HOWE,

Hamilton, 18th November, 1869.

I am in receipt of your kind Letter of the 16th respecting Telegram, which was sent with the conviction that matters were in a more serious state than Mr. McDougall or you supposed. Immediately after your departure the Insurrection began to develop itself. Armed men immediately took possession of the roads entering Fort Garry. A meeting of the Council was at once called, and the wildest excitement followed. The leader of the insurgents, "Riel," was before the Council from 10 A.M. till 7 P.M., and concluded by convincing them that he was correct and they wrong. We purposed leaving the Friday following your departure, but were detained, by order of Governor McTavish, four days to hear the decision of the Council, that he might send by me verbal advice to Governor McDougall. The Council, finding itself powerless, broke up without taking any action, while the Insurgents were gathering fresh material hourly. Governor McTavish was unable to attend the Council, and is failing rapidly. Shall not be surprised to hear of his death by any Mail. When leaving Stinking River, we found an encampment of the Rebels thirty strong. They had barricaded the roads, and were patrolling on both sides of the barricade, all armed with rifles. They seized our horses by the heads, and we had to dismount. It was very generally known they had a force out to intercept the Government supplies for Dennis and Snow, also the rifles being brought forward by Governor McDougall. I, however, sent messengers to him, and learned, when I met him, the rifles had been carefully stored below, so they are safe. Mr. McDougall, not having been in the Settlement, can only have a general idea of the true position, and I felt that affairs were assuming so serious an aspect that I thought I would at once hurry down to Ottawa and enter fully into detail; but afterwards thought it better to telegraph, and, if you thought it necessary, you would telegraph, for more particulars. On my arrival in St. Paul, and when passing through St. Cloud, and other of those villages, I found a great many rough men collecting and preparing for the Prairies, just the class who would only be too ready to fillibuster, and, knowing that in a week they would be out of the way, I put into the paper the account of Mr. McDougall's safe arrival.

At Fort Garry you saw telegraphed from St. Paul, which I have to confess had not one word of truth in it. * * * * * Things are not healthy, and I am afraid it will cost money and blood yet.

If there is anything more you may wish to know, write me; or, if you think necessary, I will run down.

Mr. J. Howe, Secretary of State for
the Provinces.

I am &c.,
(Signed) W. E. SANFORD.

Copy of a TELEGRAM from * * * to SIR JOHN A. MACDONALD.

Dated at Toronto, November 24th, 1869.

Letter received at St. Paul's to-day, dated Pembina (10th), says Governor McDougall has rented a house there for the winter, other members of his Cabinet are boarding in Pembina. The Letter says object of the Insurgents is not to throw off allegiance to Queen, but to oppose annexation to Canada. Nothing new from Fort Garry or McDougall.

Copy of a TELEGRAM from * * * to SIR JOHN A. McDONALD.

Toronto, November 24th, 1869.

A gentleman from Fort Garry arrived at St. Paul's yesterday, says that the English half-breeds and whites are taking little or no part in the demonstration, it being made chiefly by French half-breeds. A system of passes has been adopted, and strict surveillance exercised. The Insurgents have taken possession of Hudson Bay Store House, and dealing out themselves daily rations from the Company's supplies. Dr. Brown, the Editor of the 'Nor'-Wester,' refused to print rebel proclamation, but printers were forced at mouth of the musket to issue the revolutionary document, which was posted in various parts of rebellious Districts. A Red River trading house in St. Paul's learns that there is a strong organization, including many half-breeds, waiting favourable opportunity to declare in favour of Governor McDougall. A Fenian Priest is said to be the directing mind of the disturbance.

CANADA.

No. 6.

No. 6.

COPY of a DESPATCH from Governor The Rt. Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 138.)

Government House, Ottawa, Canada,
27th November, 1869.

MY LORD,

(Received 13th December, 1869.)

I sent, on the 26th instant, at 4 o'clock P.M., a Telegraphic Despatch to you
in the following words:—

"Your Telegram received and considered by Privy Council."

"On surrender by Company to Queen, the Government of Company ceases.
"The responsibility of Administration of affairs will then rest on Imperial Government.
"Canada cannot accept transfer unless quiet possession can be given—anarchy will
"follow. Rebels have taken possession of Fort Garry, and it is said are using
"the stores of Company. A change of feeling is hoped for, and till then the
"governing power should remain with present authorities. My advisers think
"Proclamation should be postponed. Mr. McDougall will remain near Frontier
"waiting favourable opportunity for peaceable ingress.
"Parties having influence with Indians and half-breeds, are proceeding to join
"McDougall."

I have, &c.,

(Signed)

JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c.

No. 7.

No. 7.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 139.)

Government House, Ottawa, Canada,
27th November, 1869.

MY LORD,

(Received December 13, 1869.)

* Page 3.

In continuation of my Despatch, No. 134,* of date the 25th instant, I have the
honour to forward, for your Lordship's information, copies of the further Correspondence
up to this date in the possession of the Canadian Government, relating to the difficulties
in the North-West Territory.

I have, &c.,

(Signed)

JOHN YOUNG.

P.S.—I send a Newspaper, with which the Secretary of State for the Provinces has
supplied me, with the caution that it is American.

The Earl Granville, K. G.,
&c. &c. &c.

J. Y.

Enclosures
in No. 7.

Enclosures in No. 7.

SIR,

Ottawa, 27th November, 1869.

5th Nov.,
1869.

Referring to my Letter to you of the 22nd instant, transmitting copies of certain Despatches received
from the Hon. William McDougall, I have the honour to enclose herewith, for the information of His
Excellency the Governor-General, copies of the Despatches received by this Department since that date
from Mr. McDougall, together with copies of the Enclosures therein mentioned.

I have, &c.,

F. Turville, Esq., Secretary to Governor-General.

JOSEPH HOWE.

RED RIVER SETTLEMENT.

13

Dakotah Territory, U.S., Pembina,
5th November, 1869.

CANADA.

SIR,

I have the honour to report, for the information of His Excellency the Governor-General in Council, the events which have occurred in this vicinity since my communication of the 31st October. I expected to have been able to send this Report by the Mail which left Pembina this morning; but, in consequence of the unexpected closing of the Mail last evening at six o'clock, which the Postmaster said was "contract time," I was able to write only a short note, which, for prudential reasons, I addressed unofficially to Mr. Meredith. I now proceed to give you the details of the important events which have prevented me from remaining in the North-West Territory.

On the first day of November, about eleven o'clock, A.M., while I was talking with a Chippewa Chief and some of his band who had met me by appointment, Colonel Dennis and an English half-breed, Mr. Hallet, arrived from Fort Garry, having left the Fort early in the morning of the previous day. They rode over the prairie some miles to the West of Red River, and were not observed by the rebel scouts. Colonel Dennis brought a Despatch from Governor McTavish, of which the Paper marked A is a copy. He also handed me the papers marked B and C, bringing down his own narrative to the day previous to his departure.

As the Governor and his Council concurred with Colonel Dennis in the opinion that it would be imprudent for me to proceed to Fort Garry under present circumstances, and as no steps had been taken towards organizing a force to support the Authorities, I had no alternative but to remain at the Hudson's Bay Company's Post. The furniture, &c., for Government House having arrived at Pembina from St. Cloud, the person who had undertaken to deliver it at Fort Garry called upon me to know if he was to proceed with his freight, suggesting that it might be stopped on the way and perhaps destroyed. I told him that, as he had bargained to deliver it at Fort Garry, he must complete his contract. I had reason to believe that he was aware of the designs and movements of the Insurgents, and was in their confidence, if not in their plot. I took pains to impress him with the belief that it was no child's play his friends had begun, and that all the consequences of rebellion against Imperial authority must follow in this case as in others. I told him I had been sent as a Civil Governor, and was prepared to treat all classes and parties in the most friendly and impartial manner; but if they preferred a Military regime and martial law, they were taking the proper course to secure it. I knew that he would report my remarks as he passed through the Rebel camp, and I thought it would be politic, since they had gone so far, that they should understand the view I took of their proceedings. I knew that Mr. Provencher's Mission must end either favourably or otherwise, before my interlocutor could see his friends. He told me that a party of twenty mounted men would pay me a visit in a day or two. As evidence of the earnestness and patriotic spirit of the Insurgents, he showed me a song in French, copied partly from the *Marseillaise*, and which was being circulated among the half-breeds of the neighbourhood. He proposed to buy some portion of the property in his charge—the stoves especially—in order to save it from destruction. I declined his proposal, with the remark that the rebels might as well destroy the stoves as anything else; but I would hold him responsible, in the first place, for their safe delivery at Fort Garry, and I thought the farms and cattle of the half-breed Settlers would ultimately be found sufficient to pay any damage they might inflict on public or private property. I told him he could do as he pleased with his freight, as I had no directions to give him until he arrived at Fort Garry. Upon this he left the Post, convinced at all events that he had not succeeded in frightening me into a sale of the Government property at his own price. His carts, in a few minutes, were on their way to the Settlement. I have not up to this moment (4 o'clock P.M.) been able to ascertain whether they have passed the barricade unmolested or not.

The interview with the Chippewa Chief, *Kewetaosh*, and his band, which I stated in my previous Report was fixed for this day, was interesting to us and apparently satisfactory to him. His pipe-bearer, after filling the pipe with tobacco mixed with dry willow-bark, and placing a live coal upon it, rose with the pipe in his hand and waited for an observation from the Chief. He, with the dignity of his race and class, rose slowly from his seat, and pointing to a large silver medal on his breast, which had been given to his grandfather in the time of George III., said he was glad to see me as the English Governor. Pointing to the fumes of the pipe, he said there was no harm in that smoke—it meant peace and friendship between us. He then sat down and the pipe-bearer presented me the pipe, which I smoked for a little, and then returned to him. It was then handed to Mr. Richards and the other members of my party, each in turn. It was next smoked by the Indians, and last of all by the Chief. This ceremony being over, the Chief drew himself up for his speech. He is a pure Indian, about fifty years of age, with a stately figure and an agreeable and intelligent countenance. He repeated his friendly greeting, and said he had waited some time to see me. He was sorry to hear of the proceedings of the half-breeds in the Settlement, and wished me not to go there. He had not much to say, but would ask me a question. Had I bought their (his) land from the Hudson Bay Company? He then proceeded to lay claim to the country from Pembina to the Assiniboine, and from the high lands on the West to the Lake of the Woods. He said his ancestors had never sold their title to any part of it—they had only *lent* as much as a man could see under a horse's belly on both sides of the River to the Company, and he now wanted to know what I was going to do with his land. He repeated his desire to be on good terms with me, and said that neither he nor his band had anything to do with the movements or designs of the French half-breeds.

I replied to his speech through an interpreter, a French Canadian Settler, who spoke a little Chippewa and about as much English. I reciprocated his friendly greeting, and expressed my regret that, from the length of the journey I had travelled, and the time required for preparation for it, I had not reached Pembina as soon as was expected. I was glad to see him and his band, and hoped we would be able to make a satisfactory agreement about any land of his we might require. I explained the nature of the arrangement with the Hudson's Bay Company, which I assured him left his rights, whatever they might be, just as they stood before. With respect to his remark that I ought not to go to Fort Garry—if he meant it as a friendly warning, I thanked him for it, but I told him I must obey, not

CANADA.

the wishes of others but the requirements of duty. I was sent to govern the country in the Queen's name, and would do it unless prevented by force. I then produced a map of the Territory, and asked him to point out the bounds of the land to which he and his band laid claim. This proposal was evidently something he did not expect, and a good deal of consultation took place between him and his companions. I told them I merely wished to find out the extent of the country they *claimed*; that I was not prepared either to admit their claim or deny it, but, before we could negotiate, I must know what it was they pretended to own; that there were other Indian bands, especially towards the Lake of the Woods, who would probably claim some part of the territory he had described as belonging to his band. It then came out that three Chiefs—"Pequis," near Lake Winnipeg, "Fox," of Prairie Portage, and "Gros Oeille," of Oak Point, towards Lake of the Woods, and himself, agreed last winter upon a division of the country between them, and that his claim was to be limited to the country bounded by Scratching River and the Government Road on the North, Pembina Mountain on the West, White Mouth River on the East, and the American Boundary on the South. I questioned him as to the bargain with Lord Selkirk; whereupon he appealed to an old man who said he was present on the occasion, and remembered that "My Lord," as he was called, only *borrowed* the land along Red River, as far as he could see under a horse. I asked him how long it was understood the loan should continue? Another consultation took place among the Indians, and they answered twenty or twenty-five years. To my question—whether any written record of the agreement was preserved, they said they had never seen any. He said his band numbered about six hundred souls, and that he could not make any cession of their rights without consultation with the other Chiefs. He mentioned the month of May as the most convenient time to meet them at Fort Garry for a Conference with me. As I learned that his band, excluding half-breeds, did not probably exceed half the number he had stated, I told him it would be necessary, when he came to Fort Garry, to bring a list of the number of families, and their names and places of residence who acknowledged him as their Chief, excluding American Indians and half-breeds. This he agreed to do. I directed the Hudson's Bay Company's Agent to give them some tobacco, flour, and tea, according to custom on such occasions. We all shook hands and the Conference was at an end.

I then had a private interview with Colonel Dennis and Mr. Hallett, who had taken some rest in the mean time, and endeavoured to ascertain the precise object of the insurrectionary movement, and the probability of its present success. I confess that their verbal account of the condition of things at Fort Garry—the indecision and infirmity of the Governor, the hesitation and indifference of the Merchants and English half-breeds—more than confirmed the impression I had derived from the correspondence, that there would be no measures taken to arrest the progress of the Rebellion or resist any government the French half-breeds might set up. Colonel Dennis expressed the opinion that the "Canadians" in the country could be relied upon; that they were fretting under the inactivity of the Authorities, and would at once rally under any vigorous leader who appealed to them in the name of law and order and the authority of the Crown. But unfortunately their number was small as compared with the Insurgents, and they were much scattered over the country. The Local Government had not even published a warning to the malcontent portion of the population of the consequences which would be likely to follow their threatened resort to arms. No official statement of the nature of the arrangement with the Hudson's Bay Company and of the authority under which it was made had been published to remove the misapprehensions created in the minds of the half-breeds by designing men in the Settlement. It was well known at Fort Garry that American citizens had come into the country ostensibly for purposes of trade, but in reality to create disaffection, and, if possible, a movement for annexation to the United States. These men and their sympathizers, had been actively engaged in circulating stories, absurd as they were unfounded, to alarm the fears of the half-breeds and excite their hostility against the Canadian Government. It was known that these stories had produced the desired effect, yet nothing appears to have been done by the Government to counteract them, beyond explanation and remonstrance verbally and to a few individuals, some of whom it was believed had entirely misrepresented to the ignorant half-breeds the purport of their conversations with members of the Council. Neither Colonel Dennis nor Mr. Hallett could suggest anything better than a policy of inaction on my part until I heard the result of Mr. Provencher's Mission.

The next day (Tuesday), about five o'clock in the afternoon, fourteen horsemen were seen approaching us from the direction of Fort Garry. It was soon evident that they were armed and moving rapidly forward. As they approached they slackened their pace and dismounted at the gate of the stockade which surrounds the Post, with their guns cocked and in military order. In a few minutes two of their number demanded an interview with me. They left their arms with their comrades at the gate, and were at once admitted. I invited them to a seat, and asked them what they wished to say to me. They replied that they had been sent to tell me I must leave the North-West Territory—I must go back before nine o'clock to-morrow morning. I asked them who had sent them with this message? They said the Committee—the Government. I asked, what Government? They said, "The Government we have made." I asked what they were instructed to do if I declined to go back? They said they did not know—they had no order. I then told them I was sent to assume the Government of the country under the Queen of England and by her authority, and I could not obey the orders of their Committee. I at the same time produced my Commission under the Great Seal, and handed it to the Captain for his perusal. He evidently could not read it, but the parchment and seal seemed to convince him that it was what I described it to be. He handed it back, saying that if his leaders had seen that he thought they would not have opposed me—they did not wish to take up arms against the Queen. He added that I ought to have come on as far as the Barricade, which I might have done without molestation. I told him, in reply, that I was going on as fast as I could when I was stopped by a written order from his Committee, which I handed to him. He read it, and remarked that he was not present when it was written, but admitted that it came from the National Committee, whose orders he obeyed. His companion having left the room, he seemed impatient to end the conversation, and rose to retire. I had asked their names, which they gave without hesitation as Lepine and Lavaillo. They

were very respectful in their bearing, and seemed ashamed of the business they had on hand. I sent out to ask if they wished to eat, which they said they would be glad to do, and I accordingly ordered some pork and bread and tea to be given to them. Hearing of their remarks to one another that if they had known I was coming to represent the Queen as well as the Government of Canada, and that I was not sent to interfere with their religious or private rights, they would not have joined the insurgent party; and having observed the effect of the Great Seal upon the Captain of the band, I resolved to send for the whole party and explain my position and authority to them in the same manner as I had done to the two leaders. They replied to my invitation that they were tired, and that some of their party had gone to the village and could not see me until morning. About six o'clock the same morning Mr. Provencher and Captain Cameron made their appearance at the Post, escorted by six horsemen, who had conducted them as prisoners all the way from River Salé. These gentlemen had not been allowed to go beyond the Barricade, or to hold any communication with the authorities at Fort Garry. Mr. Provencher's Report of his Mission and its result is enclosed herewith, marked E.

About eight o'clock in the morning of Wednesday, the 3rd instant, loud talking was heard at the gateway, and on going out I found the Rebel party, with their arms in their hands, drawn up in a half circle, gesticulating fiercely, and threatening that if we were not off by nine o'clock they would not answer for our lives. I found that they had made a prisoner of Mr. Hallett, who went out to repeat my invitation of the evening before, and that he was then tied to a cart and not allowed to speak to any of my party. Seeing their temper, and thinking it would not be prudent to give them an excuse for any further outrage, I ordered the horses to be harnessed and we drove away from the Hudson's Bay Company's Post towards Pembina, escorted by a portion of the party on foot. When I reached the post which has been set up to mark the 49th parallel, the Captain of the band stopped, and addressing me in French, said, "You must not return beyond this line," pointing to the boundary monument. He further remarked that he did not know me as Governor, but only as Mr. McDougall. As three or four persons had joined us on the way, but had no other connection with us, I asked if they also were interdicted from going on. He shrugged his shoulders and said he did not know—he would not prevent them, but perhaps they would be stopped at River Salé. I then drove on, and my escort returned to the Hudson's Bay Company's Post.

We encamped on the farm of Mr. Peter Hayden, an old Irish settler, who had been forty years in the territory, and had married the sister of the Indian Chief Kewetaosh. He was very friendly to us, and strongly British in his feeling, though living on the American side of the boundary line. Here we have remained until to-day. The weather being cold and stormy, I have directed Colonel Dennis to hire a house for our protection and stables for our horses, if they can be found in the neighbourhood, of which I have some doubt. The village of Pembina consists of the house of the Post-master, and another in which the Collector of Customs has his office. All the others, four or five in number, are mere huts, and afford very poor accommodation for their present occupants. Our position is beset with difficulties. We cannot go forward without an armed force, which is not at our command. We cannot immediately return, for our horses require rest and grain before we can undertake so long a journey. The snow may overtake us on the way, and render further progress with waggons impossible. There are no houses or supplies between this place and Georgetown, a distance of 150 miles. With the Canadians who joined me on the way, and who are now afraid to go forward, my party numbers twenty souls. Colonel Dennis is also with me, and will probably follow my fortunes, as he was ordered out of the country at the same time, and by the same authority. After surveying the situation, and deciding in my own mind upon the course which it was my duty to adopt, I held a Council with Messrs. Richards and Provencher and Colonel Dennis, Captain Cameron being at some distance from us at the moment, and having acted on his own judgment on more than one occasion against my advice, much to his own disadvantage as well as ours. I did not wait to consult him: I had previously sent Colonel Dennis to ascertain what supplies could be procured in the neighbourhood for our horses and party. He reported that the supply of tea, sugar, salt, flour, and beef (fresh), which could be obtained at the Hudson's Bay Company's Post was sufficient for our wants, if the Rebels did not seize them, or prevent us from getting possession of them. Only a few bushels of oats (about 20) could be procured on either side of the Line; but he heard that barley was more plentiful, although even that grain might be difficult to procure, if the farmers on the American side of the line proved to be, as we more than suspected they would, friendly to the Insurgents and inimical to us.

Under this state of facts we decided, 1st, to get, if possible, the 20 bushels of oats already bargained for, as our horses were much in need of them. 2nd, To secure all the barley that we could hear of, for future use. 3rd, To send down to the Hudson's Bay Company's agent for all the groceries, flour, and beef, we would require for three or four weeks at least. 4th, Having secured a sufficient supply of provisions to enable us to reach St. Cloud, if we found it necessary to return to that point, we would then make ourselves as comfortable as possible under tents, or in houses if they could be had, until we could hear from Fort Garry, and learn the effect of our expulsion upon the loyal portion of the people. We all agreed that it would be discouraging to our friends, and a great triumph for the Rebels, if their first demonstration resulted in my return to Canada before I had assumed the reins of Government. We therefore resolved to remain at Pembina for a week or two longer, if we could get supplies. I may remark that I was shown to-day a written evidence that residents of the American village of Pembina are in constant communication with the leaders of what they call the "Patriot Army," at River Salé. A Mr. Stuttsman, an ex-official of the Treasury Department, who has resided here some time, now doing business as a sort of village lawyer, and reputed to be a man of considerable influence, met the Insurgents as they rode up to the Hudson's Bay Company's Post on Tuesday, and held a short parley with them. We ascertained also that the leaders of the party went down and consulted with him and others at the village as soon as they had delivered their message to me. This person now grants passes, addressed to the Commanding Officer of the "Patriot Army," vouching for the good faith of his friends, and expressing his conviction that they were hostile to Mr. Wm. McDougall. I have entrusted to one of my party,

CANADA:

who got into the confidence of Stuttzman, both being members of the same secret society, and obtained a pass from him, two communications addressed to Governor McTavish, copies of which I enclose herewith, marked F and G. A slight disagreement with this person on the journey, which caused some talk in our party, had reached Stuttzman's ear, and made him the more ready to take this man into his confidence. I have, on the other hand, no doubt of his loyalty to me, and that, if Colonel Stuttzman's pass is recognised by the Rebels, my letters will reach their destination.

Larose's Farm, 1 mile south of Pembina River,
7th November, 1869.

We were successful in obtaining our supplies, enough for two or three weeks, from the Hudson's Bay Company's Post. We got them over the Line in the night, with the aid of our Irish friend, who sent an ox-cart for them. The enemy's scouts, who were lurking about to watch our movements, were apparently deceived by this move, and allowed the cart to pass without examination. As soon as this point was gained, I ordered the tents to be struck, and the party removed to a position about a mile to the south of Pembina River, on the farm of one Larose, a Canadian from Sault Ste. Marie. He is one quarter Indian, but intelligent and friendly. He has consented to give us the use of his house, a new one, and will build a shanty for himself and family. He has also a stable for our horses, which, with a little improvement, can be made to answer our purpose. The house requires some alterations to accommodate the females and children of our party, even for a short time, which we have bargained to have made. Messrs. Richards, Provencher, and Begg have found temporary lodgings in the village, and Captain Cameron and his party are still under the shelter of the Irishman's cabin, which they share with a numerous family of half-breed children.

I have had no further communication from Fort Garry of later date than those brought by Colonel Dennis and Mr. Hallett. The mails have been stopped and opened by the Rebel force, and I have no doubt that all letters to me or any of my party have been opened and detained. I am now hourly expecting a messenger from Fort Garry, who will either pass the barricade as a friend of the Rebels, or go round them as Colonel Dennis did. Rumours of all kinds reach us, as may be supposed. The last is that Fort Garry has been taken by the Rebels, and Governor McTavish compelled to quit his house and the Fort; that sentries are posted through the Settlement, and at the house rented for me on the Assiniboine; and that there is no attempt at resistance from any quarter.

Sunday, 6 o'clock, P.M.

A messenger has just arrived from a point about forty miles down the river. He brings a letter without signature, but understood to come from Dr. Schultz and other Canadians (see Paper marked H). This letter confirms the story of the surrender of Fort Garry, and the continued inaction and helplessness of the Authorities.

I replied in a short note, without signature, by the same messenger, apprising the writer of the letter that it was my intention to remain here for the present, that I could not assume or believe that the Hudson's Bay Company's agents desired the success of the Rebels, or gave them any assistance except under compulsion, that I had opened communication with the Authorities, and had suggested a Proclamation by them explaining the change of Government, and the character in which I was sent, and warning the malcontents of the consequences of their acts; that, at the proper time, I would issue a Manifesto or Proclamation myself, await the effect, and be guided by circumstances. I requested the same parties to communicate with me as often as they found opportunity, but to act rather than recriminate. I at the same time addressed a short note to Governor McTavish, fearing that my previous letters might have failed to reach him (see Paper marked I). I arranged with the messenger, who is an intelligent and loyal German half-breed, to keep open a private channel of communication, if possible, with the Settlement during my stay here.

From the foregoing narration, and the Papers enclosed, his Excellency will be able to appreciate the difficulties by which I am surrounded, and the grave questions which may soon present themselves for his consideration. While I hope to receive a message that the "emeute" is at an end, and that the authority of the Crown will be recognized in my person by those who are now in arms. I confess there are facts in the case which point strongly to a different result.

I may observe, in conclusion, that, apprehending the possibility of some such interruption as I have encountered, I arranged at St. Cloud for the transport of the arms and ammunition to Georgetown, there to await my order. They are now in possession of the Hudson's Bay Company's agent at that post, and not likely to fall into the hands of the Rebels. If I hear of any attempt on their part to get possession of them, I shall take steps to remove them, if possible, to Fort Abercrombie.

I am, &c.,

The Hon. the Secretary of State for the
Provinces, Ottawa, Canada.

(Signed)

WILLIAM McDougall.

(A.)

MY DEAR SIR,

Fort Garry, Red River, 30th October, 1869.

It is with much concern I have to say that among a certain portion of the half-breed population here there prevails a degree of excitement at the prospect of your arrival in the country, which seems to make it necessary that in coming into the Settlement you should use great circum-

spection; and it is for the purpose of pointing attention to that apparent necessity, that I send you this communication.

For some weeks past rumours have been reaching me, through more or less reliable channels, of dissatisfaction among the French half-breeds with the recent arrangements; but believing, as I then did, that these feelings had no very deep root, I indulged the hope that they might pass away. But in this respect, I am deeply pained to say, I have been disappointed, and that, within the last few days, the feeling of discontent has manifested itself in such a manner as to create serious apprehensions for the result. After interfering with the surveying operations of Colonel Dennis, these people, in considerable numbers, have combined for the avowed purpose of stopping your entrance into the Settlement, and with that view they have actually taken up permanent positions on the road by which, in the usual course of travel, you would advance.

Ever since matters began to assume a serious aspect, the conduct of these people has been, I may say, constantly engaging the earnest deliberations of the Local Authorities, but although every effort has been made which the Council deemed prudent or practicable for bringing these misguided people to reason and for procuring their peaceable dispersion, yet I am sorry to say that hitherto all has been without effect, and that the difficulty—the serious and now somewhat alarming difficulty—still remains unsolved, as to how you are to be effectually protected from molestation in approaching the Settlement.

From Colonel Dennis I learn that, by different hands, he has been lately sending you Reports upon the state of matters here, and that in his last communication he had advised you to remain at Pembina until you should have ascertained through reliable intelligence from this, that, by some means or other, the course had been cleared so as to make it prudent for you to come on. It appears to me that, under the circumstances, the advice so tendered by Colonel Dennis was sound and judicious, and it relieved my mind from much anxiety to hear that Officer express so confident a belief that you would be inclined to act upon it; although I cannot but add that I fully share in his feeling of mortification at being so circumstanced as to be constrained to counsel such a course.

I have not myself seen Colonel Dennis's communications to you on the subject of these unfortunate occurrences, but he has been kind enough to read them to some Members of the Council, for the purpose of enabling them to judge of the accuracy and completeness of his information; and upon their assurance, I have no hesitation in saying that the contents of the Colonel's communications to you may be relied upon as conveying in the main a correct narrative of the occurrences to which they refer, and a fair representation of the popular sentiment throughout the Settlement.

The question which now presses itself upon every mind is, what is to be done to secure your peaceable entrance into the Settlement. So far, all our expedients have failed, and unless the efforts of a temporizing character which are still being earnestly used for the dispersion of the malcontents succeed, it is to be feared that your coming into the Settlement at the present moment would not be free from considerable danger.

From Colonel Dennis's Despatches and this Letter you will derive as full and accurate a knowledge of the position of affairs here as, I believe, can very well be given in writing, and having satisfied myself that you are acquainted with all the material circumstances of the case, I think that you are now in possession of the principal data for enabling you to determine the important question of your movements, and I need not say that I shall most anxiously await your decision.

But, without of course, in any way meaning to prescribe the line to be pursued, I may be permitted to add that to those who with myself have been deliberating upon the most advisable steps to be taken in circumstances of so embarrassing and so critical a nature, there have been suggested three courses for meeting the difficulty as it now stands.

The first is that there happily being, among even the French half-breeds, a considerable element of well-disposed persons, there should be carefully selected from that section a body of from twenty to thirty men, who, mounted and armed, should proceed to Pembina and escort you to your residence in the Settlement by a round-about road, which would keep you entirely clear of the roads on which the malcontents are known to have taken up their positions.

The second is that of making a public call upon the whole loyal portion of the Settlement to turn out in the cause of order, and to the number of say 300 unarmed able-bodied men—if such a force could be mustered—proceed to Pembina, and escort you into the Settlement by the usual route, whether the malcontents remain upon it or not.

And the third is, that you should remain at Pembina and await the issue of conciliatory negotiations, with a view of procuring a peaceable dispersion of the malcontents.

Now, with respect to the first of these courses, it is in my opinion open to the grave objection, that, even if it were to issue in your safe arrival amongst us, it would obviously involve a virtual acknowledgement of the ascendancy of these lawless people, and would have a direct tendency to inspire them with fresh courage in the prosecution of their designs; and, besides, I am strongly of opinion that, under present circumstances, your personal safety could not be sufficiently provided for by the attendance of so small a body of men as that proposed; a body large enough to provoke a collision, but probably far from strong enough successfully to meet it.

The second is one which the Local Authorities have all along been pondering, but one which, as in somewhat similar emergencies on former occasions, they have hitherto shrunk from adopting, partly from a misgiving as to the extent and the spirit of the response to such a call as that proposed, and partly also, but principally, from an apprehension of precipitating a collision between different sections of the people, which might plunge, not only the Settlement, but the whole Territory, into all the disasters of a war of races and religions—a war in which the legitimate object for which it had been begun would probably soon be lost sight of, and passion and prejudice alone animate the minds of those engaged in it.

To the Council and myself it appears that, under present circumstances, the third proposal is the only one that can be regarded as prudent or practicable; and it is therefore our opinion that you should

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remain at Pembina and await the issue of conciliatory negotiations, in the hope of procuring a peaceable dispersion of the malcontents.

I have only to add that, although this Letter proceeds ostensibly from myself, it embodies the views of the Council of Assiniboia, and that at a Meeting of the Council to-day, held for the express purpose, it was unanimously adopted as to the communication which I should immediately make you.

Earnestly hoping that ere long some peaceable solution of all these difficulties may be arrived at,
I remain, &c.,

The Hon. William McDougall, C.B.

(Signed) W. McTAVISH.

(B.)

THURSDAY, 28th October.

The situation remains unchanged. I sent down, about 9 o'clock, provisions for Mr. Dease's party, consisting of one bag flour, a quarter of beef, and a small quantity of tea and sugar. Called upon Dr. Cowan about 11 o'clock, and found with him Judge Black. Was informed that the Governor, having written a note for Père Ritchot to come down and see him, that Priest was there with him. Mr. McBeth, a Member of the Council, called at Dr. Cowan's while I was there, and the conversation turned upon the necessity of advising Mr. McDougall, from the Council or some other official source, as to the situation of affairs here; so that that gentleman would receive it before he came to Pembina. I stated that I had prepared from day to day a statement of facts and circumstances connected with the outbreak, which I had taken the opportunity to send forward so as to meet Mr. McDougall, I thought, in good time; and that, in order to let the Council see to what extent I had put Mr. McDougall in possession of the facts, I had no objection, although I had no intention when writing of making it public, to show them the statement referred to. They expressed a desire to that effect, and I accordingly sent for the statement, and read it. I was glad to find that the feeling was unanimous that the statement of facts and views which I had sent forward to Mr. McDougall was, without exception, truthful and reliable—Judge Black remarking that the Council could add nothing to the statement calculated to give Mr. McDougall a more accurate description of the state of affairs.

5 P.M.—Judge Black has just called to say that the Governor failed, after some three hours' interview with Père Ritchot, to bring him and his party to reason. He says, also, that Mr. Dease has informed him that the Insurgent party have made an overture to the effect that, if they the Peace party will join them in turning Mr. McDougall out of the Territory at a subsequent time, should he refuse to accede to their present demands, they will allow him to enter in the mean time. This, however, Mr. Black mentioned that he had advised Mr. Dease could not be consented to, as it might involve precisely the same outrage as that at present contemplated. It was understood, then, that Mr. Dease would see the refractory party again this evening, and endeavour to get them to consent to make their proposition less objectionable.

FRIDAY, 29th October.—The negotiation, spoken of last evening, ended in nothing. Mr. Dease reports that, based upon the statements which he had reason to believe emanated from Père Ritchot last evening, the assertion is made by that party that Governor McTavish is favourable to their designs. I am not sure, from Mr. Dease's manner, that I succeeded in convincing him of what I am convinced myself, that nothing is further from the fact. If Mr. Ritchot made any such assertion, he has stated it for the purpose of intentionally misleading his party, and maintaining his control over them. Sent another day's supply of provisions down for Mr. Dease's party. Was invited to meet, at the Fort, at 9 o'clock this morning, some Members of the Council; these were Mr. Sutherland, Mr. Fraser, Dr. Cowan, Mr. Dease, and Judge Black. After some conversation, it was arranged that Messrs. Fraser and Sutherland should visit the camp of the disaffected, and endeavour to impress them with the fact, that the English-speaking element in the Settlement was entirely opposed to their views and their proceedings, and see what they could do to bring them to reason. I have provided Mr. William Hallett and the Cree Chief Fox with conveyance, and they have also gone up to have an interview with the Insurgents for a like purpose.

3 P.M.—Charles Donald, an English half-breed, resident in Mapleton Parish, down below the Lower Fort, who had been instructed by Mr. Dease to notify all of the well-disposed half-breeds in his part of the Settlement to be in readiness to turn out, if called upon to join his party, has just arrived from below, on his way up to the Insurgents, to deliver them a letter, of which that on page 458 is a copy. Complaining that his horse, having been carrying him for the last two days and one night, was exhausted, he left his horse and I lent him another.

9 P.M.—Messrs. Fraser and Sutherland have called, bringing the accompanying note from Dr. Cowan. These gentlemen state that, on their visiting the Insurgent camp, they were met by Père Ritchot, who took them into a private room in his own house, in part of which was the Chapel, and, declining for a long time to bring them face to face with the Leaders in this movement, used every effort to persuade them that it would be impossible to get them to withdraw from the stand they had taken. The gentlemen insisted, however, and at length were shown by the Priest upstairs in the same building, into what he termed the Committee Room. Here were sitting, in a very formal way, the Committee, consisting of ten Members. The gentlemen announced the purpose of their visit; but were told that no business could be done in the absence of the Chairman, who came in shortly after, and proved to be the man formerly mentioned, named John Bruce. Messrs. Fraser and Sutherland then proceeded to put several questions as to the object and purposes of the party. Not a single reply could be obtained to any of these, and at length it became difficult for them to get a hearing at all; it seeming as if the leaders, Bruce and Riel—the latter also being in the room—were afraid to allow these gentlemen to speak, for

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fear their arguments might lead to a defection in their camp. Mr. William Hallett was also present, and commenced addressing the Committee, most of the Members being well known to him, in the Indian language; but they refused to allow him to go on, the voice of the Priest being heard from the room below, where he had been evidently listening to the proceedings, calling out, "Why do you not speak in French?" After spending the whole day there to no purpose, Messrs. Fraser and Sutherland returned. They report the strength of the party, every member of which, so far as they saw, was completely armed, at about one hundred and fifty men. Mr. Hallett and the Chief have also returned, and corroborate in every way the statements made by Messrs. Fraser and Sutherland. Mr. Hallett tells me that the Chief Fox spoke effectively in his native language to the Insurgents outside. They did not leave the camp until some time after the gentlemen named, and Mr. Hallett tells me that he saw signs of wavering among some of the subordinate leaders of the refractory party, and thinks there is good reason to believe that the feeling will increase, with all the influences that are being brought to bear in its favour by the other half-breeds, that it will lead to the enterprise being abandoned. Mr. Hallett informs me, also, that the Insurgent party had sent out to get in the Chief "Gros Oreille" and his people to join their side; and the Chief, with ten of his men, came in accordingly. On learning, however, the character of the proceedings, the Chief declined to identify himself with it at all, and he and his men withdrew from that party, and were at a house near there, where he (Hallett) and the Chief "Fox" had an interview with him last night. These men sent a written paper to me by Hallett, conveying sentiments with regard to this movement. (See Memorandum attached, in French.) I have every reason to believe that all the Indians, cognisant of the designs of the Insurgents, are entirely opposed to them. Whether in the future, should the affair take a more serious turn, the Priests will be able to take them over, remains to be seen. Hallett says, and his statement is corroborated by Messrs. Fraser and Sutherland, that the Priest Ritchot remarked that Mr. McDougall *might* perhaps come in by some other route, and indicated by his language that in such case they would not follow him, as to their present intentions.

SATURDAY, 30th October.—At Fort, at 9 A.M. Met Dr. Cowan and the Recorder. The Père Lestanc, the Red River being difficult to cross on account of the ice forming, had remained all night with the Governor, and had just left with the promise to the latter, that all the efforts and influence that his position could bring to bear would be applied to putting a stop to the disturbance. I was informed that all the Members of the Council, that could be got together by 11 o'clock, were being sent for to attend a Special Meeting called for that hour. The Chiefs "Gros Oreille" and the "Fox" being both in town, I made a point of seeing them, and presenting them each with a new blanket, some provisions, and some other trifling articles.

5 P.M.—Saw Dr. Cowan and the Recorder at the Fort; the result of the meeting of Council was the drawing up of a letter to Mr. McDougall, which was read to me, in which he was informed of the position of affairs and different courses of action suggested for his consideration. That letter goes forward to-night, and, for fear of miscarriage, a duplicate will follow by the mail on Monday. Père Lestanc, in accordance with the promise which he had made this morning, came over to the Fort this evening to the Governor, and found it necessary to express his regrets—as I understand—that all efforts he had been able to bring to bear had been of no avail. The party under Père Ritchot as yet show not the slightest inclination to give way; but, on the contrary, by their language, and the fact of their having stopped some of the carts with goods and detained them unnecessarily, are creating annoyance in the minds of those who have been disposed to stand aloof, which annoyance may yet take shape and tend to increase the difficulties.

(Signed) J. S. DENNIS.

(C.)

ADDRESS to COLONEL DENNIS from RESIDENTS in the Town of WINNIPEG.

To COLONEL DENNIS,

Fort Garry, October 27, 1869.

We, the undersigned British subject, members of a meeting held at the Garrett House, town of Winnipeg, this evening, in accordance with a Resolution passed to that effect, beg to inform you that we are ready at your call to proceed to Pembina to escort Governor McDougall into this Settlement.

(Signed) * * * *

* * * *

Address to Col. Dennis from Residents in the town of Winnipeg, offering their services to proceed to Pembina, and escort into the Red River Settlement Lieut.-Gov. McDougall.

Received 27th Oct., 1869.

(E.)

Letter from Mr. J. A. N. PROVENCHER to Governor WILLIAM McDUGALL, C.B.

SIR,

Pembina, 3rd November, 1869.

I have the honour to report that, according to your instructions of the 30th ultimo, I left the Fort of Pembina, with the intention of going as far as possible in the direction of Fort Garry, and there to meet the leaders of the so-called half-breed party. After I had proceeded a few miles from Pembina,

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I noticed that all my movements were closely watched by scouts constantly communicating from one point to another. These scouts were on horseback. At about 5 P.M., one of these mounted scouts began to follow my waggon. He refused to give his name, but said it was his intention to accompany me as far as Salé River, where the barricade was established. Not being able to go as far as that point that evening, I put up during the night at a house near the road. Every precaution was taken by the proprietor of the house, who appeared to be connected with the Insurgent movement, to prevent my escape during the night. They were especially afraid of my going to Fort Garry, as one of their first objects was to prevent every communication between the Authorities there and yourself.

In the morning I went to the place called Salé River, where I found a fence across the road, and a guard of about thirty or forty footmen. I immediately got out of my waggon and asked for the chief officer in command. The answer was that I would be conducted to him at the house he occupied. It was about four or five minutes' walk beyond the fence alluded to. I told my driver to wait for me, but they told him to follow with the waggon. I was accompanied by a guard of ten or fifteen men, all armed with guns, rifles, and pistols of various kinds. I was asked to assist at the church service just beginning, to which I assented. I talked with several men whom I had reason to believe were leaders of the Insurgents or in some way connected with them. I was surprised to hear that they did not know anything about what had been done either in the Canadian or Imperial Parliaments relating to the North-West Territory. They only knew that Canada had paid to the Hudson's Bay Company £300,000 for their rights in that country.

I explained to them that the Imperial Parliament had authorized the transfer of the North-West Territories to Canada, and that the Canadian Parliament and the Hudson's Bay Company had agreed upon the terms of transfer. I insisted that the new Government, when established by the issuing of the Proclamation to that effect, would represent the Crown of England and the Government of Canada; but that Canada only being substituted to the rights of the Crown and the Company, could not and would not interfere with the religious or private rights of citizens. I added also that many members of the new Council would be taken from the amongst the population of this country, so as to represent as faithfully as possible all the various interests of the people, and that the policy of the Canadian Government could be ascertained by their general dealings with other Provinces, and by the speeches of Ministers on this very question. The people of Canada would only be too glad to be relieved of a portion of their responsibility by granting to those people free political institutions and self-government as soon as practicable.

Sic in orig.

They immediately seemed to see the matter in quite another light, but they uniformly answered that it was too late, and that the insurrectionary movement had taken such precautions as to prevent any peaceful settlement at present. I was told in the mean time that a new Government was already organized, that a new Constitution had been drafted, that elections had taken place, and that they were in negotiation with the English and Protestant half-breeds to arrange all matters relating to language, nationality, or religion. The same Committee, I was told, had also to decide what they would do in relation to my mission.

The general complaint of these men, as far as I could ascertain, was that they had not been consulted on the new political changes about to take place. They said they tolerated the Government of the Company from the mere fact of its existence, and because in reality the charges were so light, that they had no reason to ask for a change, though for many years they had agitated the question of electing their Representatives in the Council of Assiniboia, and now they were resolved to take advantage of the recent changes to realize that desire. They said, moreover, that they had been greatly abused by a few people, looked upon as representing the views of the Canadian Government, and that they had been led to fear that great danger would arise to them from the establishment of the new contemplated Government. Under these circumstances they decided to prevent at once any possibility of establishing that new form of Government, by not allowing the newly-appointed Governor to come into the country.

At about (4) four o'clock P.M. I was introduced to the President of the so-called Special Committee of the Half-breeds, who began by asking me in what capacity I was there? I explained what was your mission and my own. When he told me that, as the newly-appointed Chief of the Half-breeds could not acknowledge the validity of any proceedings of the Canadian Government towards them, nor our appointment, nevertheless, if the Canadian Government was willing to do it, they were ready to open negotiations with them, or with any person vested with full powers, in view of settling the terms of their coming into the Dominion of Canada.

I was told, moreover, that they would only receive such persons as representatives of the Canadian Government as they approved of for the purposes of negotiation, and that certain persons would be peremptorily objected to. Immediately after that interview, which lasted about twenty minutes, I was told that I must leave at once for the Fort at Pembina. I heard afterwards that the crowd had been calling for me for two hours, and that they were very anxious to see me away. I left with a guard of thirteen armed men on horseback; seven of them left next morning, and six came along with me as far as Fort Pembina, where I arrived the 2nd day of November at 6 o'clock P.M.

I have, &c.,

The Hon. William McDougall, C.B.,
&c. &c. &c.

(Signed)

J. A. N. PROVENCHER.

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(F.)

From Governor McDougall to Governor McTavish.

MY DEAR SIR,

Pembina, 2nd November, 1868.

I have the honour to acknowledge the receipt, by the hands of Colonel Dennis, of your Letter of the 30th October, announcing the assemblage of a body of armed men upon the public road near Fort Garry, for the avowed purpose of preventing my entrance into the Settlement. Colonel Dennis had already apprised me of the movements and designs of these people, and as you state that his communications to me had been shown to, and approved, as to the statements contained, by the members of your Council, I have no doubt that I am now in possession of sufficient information to enable me to understand the origin and nature of the outbreak which your Government has been unable to prevent, and which obstructs for the present my further progress into the country.

I have acted on the suggestion of Colonel Dennis (repeated and confirmed by you) that I should delay a few days at Pembina, in the hope that the measures you have taken may result in the withdrawal of the armed parties from their present position. As you are aware, the transfer of the Territory and the powers of Government entrusted to you is to take effect on a day to be named in Her Majesty's Royal Proclamation. Until that day arrives (which I am informed will be about the 1st of December next) you are the Legal Ruler of the country, and responsible for the preservation of the public peace. My Commission authorises and commands me to assume and exercise the powers of Government from and after that day. I am instructed to proceed in the mean time to the Territory and report on certain subjects, and make preparations for the new state of things.

In these circumstances you will see that the legal authority to resist any lawless exhibition of force which may occur previous to the actual transfer of the powers of Government is in other hands than mine. You have not, it appears, felt justified in calling upon the loyal and well-disposed inhabitants of the country to aid you in the suppression of the outbreak, of which you have notified me. I must therefore conclude that your better knowledge of the disposition of the people, and of the means at your disposal to enforce your authority, convinces you that such a call would prove ineffectual; but I cannot help thinking that a Proclamation from your Government explaining the provisions of the late Imperial Act respecting the Territory, and the authority under which the new Government will exercise its powers, at the same time warning the malcontents of the serious nature of the crime they meditated, and the grave consequences to all concerned that must result from its commission, would have been well timed and perhaps sufficient to prevent the designing men at the head of this movement from accomplishing their purposes. I understand from Colonel Dennis that no Proclamation or warning has as yet been published at Fort Garry under official sanction.

I am unwilling, at this distance from the scene of action and in the circumstances by which I am surrounded, to make any other suggestion. Perhaps the measures you have taken may prove successful. I sincerely hope they may, and remain, my dear Sir,

Very faithfully,
(Signed)

WM. McDOUGALL.

Governor McTavish,
&c. &c. &c.,
Fort Garry.

(G.)

From Governor McDougall to Governor McTavish.

MY DEAR SIR,

Pembina, 4th November, 1869.

Since my Letter of the 2nd instant was written, and before I found an opportunity to send it forward, events have occurred which alter somewhat the situation of affairs. In the afternoon of that day a body of horsemen (armed), to the number of fourteen, galloped up to the Hudson's Bay Company's Post, at which I was quartered, and demanded an interview with me. Two of their number, apparently recognised as leaders, who gave their names, at my request, as Lepine and Lavaille, stated that they had been sent to tell me to go back—that I must not remain in the Post later than nine o'clock the next day. I asked them who sent them, and by what authority? They said their leaders sent them, and the authority was the *Government*. I asked, what Government? They replied, "The Government we have made." I told them I could not obey the orders of their Government, as I was sent by the authority of the Queen, to administer the Government in her name, at the same time exhibiting my Commission under the Great Seal, and explaining its terms. The Captain of the band looked at the Seal and parchment, and made an effort to read the document; but soon handed it back, with the remark, that if I had come on and shown the Queen's Commission to his leaders, he thought they would not have opposed me—that they did not wish to oppose the Queen's authority; he added that I could have done so without any risk. I replied that I was going on as fast as I could, when I was notified by his so-called leaders not to proceed further, showing him at the same time a Letter from the "National Committee," by order of John Bruce, President, and Lewis Riel, Secretary, which was put into my hands at Pembina immediately on my arrival. He seemed a little nonplussed by this, but merely said that he was not present when the Letter was written. I asked him what he was ordered to do in the event of my refusal to quit the Territory? He said he had no orders, and, his companions having left the room a few minutes before, took his leave somewhat abruptly.

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Noticing the effect of the exhibition of my Commission and the remark that his party did not wish to oppose the authority of the Crown, I determined to invite the whole party (by this time increased to twenty by the arrival of those who escorted Mr. Provencher and Captain Cameron) to a friendly conference, in order to make known to them the truth as to my position and their own. But they excused themselves to the messenger by saying that the party was scattered and tired, and would see me in the morning. As it drew near eight o'clock in the morning, they seeing no preparations for our departure, surrounded the gateway and vociferously demanded that we should leave before nine o'clock. The leader stated that his orders were positive, and he would not be answerable for our lives if we remained. They had in the mean time made a prisoner of Mr. Hallett, who went out to speak to them preparatory to the proposed conference; and seeing that they were not disposed to hold any parley and might possibly commit some further outrage, I ordered my horses to be got ready, and without waiting for breakfast proceeded across the Line towards Pembina, escorted by a portion of the party, with arms in their hands. On reaching the post which marks the international boundary, they stopped and warned me not to return beyond that point, remarking that they did not know me as Governor, but only as Mr. McDougall.

Colonel Dennis was told that he must accompany me, which he accordingly did, and remains with me. Mr. Hallett, who had for some time been tied to a cart and was forbidden to speak to any of my people, was sent off towards Fort Garry under armed escort.

I am now encamped a short distance from the Boundary Line on the farm of Mr. Hayden, and intend to remain in the neighbourhood till I learn what action your Government and the loyal people of the Territory may have taken on receiving intelligence of these events. I need only say that if the people now in the Territory tamely submit to the Government these half-breeds have, or pretend they have established, I have no force at my command, and at present no authority to assist it or them. The operations, military and otherwise, which must ensue, you can guess without any suggestion from me. I have reported the facts as they have reached me to the proper authorities.

I may add, for your information, that I have good reason to believe that there are persons on the American side of the line actively engaged in fomenting these disturbances, and that there are also persons of some influence in the Settlement in correspondence with them. Their avowed object is to bring about the annexation of the Territory, or some part of it, to the United States. I cannot learn that the French half-breeds have contemplated this as the result of their movement; but it is well to know all the influences and motives at work.

I trust you will take measures to keep me advised of what is going on beyond the Barricade, and whether, in your opinion, any useful purpose will be served by my remaining here for any length of time.

I leave many details for verbal communication, which you will no doubt receive from reliable quarters, not being sure that this will reach you unread by others.

Governor McTavish,
&c. &c. &c.,
Fort Garry.

I have, &c.,
(Signed)

WM. McDOUGALL.

(H.)

To the Honourable WM. McDOUGALL, C.B., &c., Pembina.

Winnipeg, 5th November, 1869.

We, as friends, would advise you by the bearer, who is a reliable man, as to the position of affairs here. The Insurgents have taken possession of Fort Garry, and established sentries at its gates. No opposition offered by the Officers of the Company, although informed that such an event would take place twelve hours before. The town is also occupied by the Rebels. So far no disturbance has occurred. Considerable wavering among the half-breeds of Riel's party, on account of Mr. Provencher not being allowed to address them in public, and many would be glad to go quietly to their homes. The Rebels call a general meeting about Monday next, and will then demand an expression of the whole Settlement, which we shall take care to have present, and have no doubt that a large majority will be in your favour, and advise you strongly to await the result at Pembina.

The Hudson's Bay Company are evidently with the Rebels, and their present role is to prevent your having any official intercourse with them. It is said that the Rebels will support the Government of the Hudson's Bay Company as it now exists. All the subordinates in the party say that if you have a Commission from Her Majesty to enter here as Governor, they will lay down their arms. Riel and the other leaders allow them to know nothing. If the Proclamation can be issued here, and the Hudson's Bay Company's Government officially called on to act, they (the Hudson's Bay Company) would be forced to suppress the Insurrection, and they can easily do it.

The actual number of the disaffected do not exceed 250 men, all told, and the slightest opposition would reduce that number to the original 40, including the priests at their head.

The supporters of the Rebels in town begin to manifest considerable anxiety. Our opinion is that the Proclamation should be forwarded by the bearer, and we will see it placarded here. Send duplicate copies to Portage La Prairie by a trusty man to * * *. On no account leave Pembina till you have established official communication with the Hudson's Bay Company. Any such sent by the bearer will be duly handed to them.

We are friends of the Canadian Government.

RED RIVER SETTLEMENT.

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(I.)

From GOVERNOR McDougall to GOVERNOR McTAVISH.

MY DEAR SIR,

Pembina, November 7th, 1869.

I avail myself of this opportunity to inform you that I have been compelled, by an armed party of twenty men, to leave the Hudson Bay Company's Post here and recross the Line. I am now in American territory, and shall remain here for the present. I wrote you two Letters, both in one envelope, detailing the proceedings and position of things here, and suggesting a Proclamation from your Government explaining the nature of the change in the Government, and warning the malcontents of the consequences of their acts. I was disappointed to hear from those who met me that they had not been informed by any one in authority that the change of Government was an Imperial Act, and had the sanction of the Queen. I also reminded you and your Council that until the actual transfer and Proclamation you are the legal rulers, and responsible for the preservation of the public peace. I am surprised to learn, by a communication brought by the bearer of this, that a few Rebels have been allowed to take your Fort, unopposed even by a public protest. Of course I am not in the best position to judge or advise in such a crisis; but, in the hope that by *some* means the people will find out what it is they are doing, and will shrink from the consequences of war, and bloodshed, and confiscation, which are sure to follow, I shall remain here until I hear officially of the transfer of authority, and shall then be guided by circumstances as to what I shall say and do.

Hoping to hear from you full details of what has occurred, and what you advise to be done there as well as here,

Governor McTavish.

I remain, &c.,

(Signed)

WILLIAM McDougall.

From ALEXANDER BEGG, Collector, to the Hon. the MINISTER of CUSTOMS, Ottawa.

SIR,

Pembina Village, U.S., 11th November, 1869.

I have the honour to report that I reached Pembina on the 30th ult., en route for Fort Garry, in company with Governor McDougall and party.

You are, doubtless, aware of the circumstances which prevented us from proceeding onward, and how we were driven from the Hudson's Bay Company's Post back across the Boundary Line into the United States by an armed party of twenty half-breeds.

The Governor will remain here for some time yet, to await results. Of course I have no alternative, but remain with him, and will be guided by his movements and advice.

Expenses have been, so far, very heavy. Everything at war prices. By the time I can hear from your Department, in answer to this, my funds will be exhausted. Please send remittances to be accounted for.

The Hon. the Minister of Customs.
Ottawa.

I have, &c.,

(Signed)

ALEXANDER BEGG,
Collector.

No. 8.

No. 8.

EXTRACT from a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G., dated Government House, Ottawa, Canada, 2nd December, 1869. (Confidential.)

MY LORD,

(Received December 17, 1869.)

I have the honour to enclose for your perusal extracts from newspapers, which contain the latest accounts we have of what is going on at the Red River.

We have not received any authentic confirmation of the robbery or seizure of the arms which Mr. McDougall took up with him, but we fear the statement is correct. The place to which the arms were sent back, Georgetown, is a hamlet, consisting of three small wooden houses and a wooden depôt for storing goods in transit. It is in the State of Minnesota, 160 miles away from the frontier of Canada, but the country around is thinly peopled, wild and lawless.

* * * * *

CANADA.

FROM THE 'OTTAWA TIMES.'

RED RIVER.

[London Prototype.]

We publish below a very interesting letter from a gentleman well known in this neighbourhood, Mr. Gardiner Ellwood, who, it will be remembered, left London during the present year for the North-West. His letter is of a recent date, and is addressed to Crowell Wilson, Esq., M.P.P. It gives a glowing account of the Territory, but being written before the late troubles began, of course no mention is made thereof:—

DEAR SIR,

Town of Winnipeg, Red River Settlement, 10th Oct., 1869.

I arrived safely in the newly-founded town of Winnipeg on the 1st ultimo, after a long and rather tedious journey over the plains, and now think that I have been long enough here to give you my opinion of the country, its people and productions. The soil throughout the whole country, wherever I have been, cannot be surpassed, consisting of rich black loamy clay, very deep, and capable of producing very great crops. Harvesting was going on when I arrived, so I had an opportunity of witnessing their yield. The wheat is excellent, both in quantity and quality, the samples all over being as fine, if not finer, than any I have seen in Canada, and, as near as I can learn, will be from twenty-five to thirty bushels per acre; barley equally good; oats not so much grown; potatoes are very fine, and give enormous yields. There is no occasion for meadows, as the prairie furnishes the hay, and all a farmer has to do is to go back two or three miles from the Settlement, cut and stack his hay, leaving it to be drawn during the winter. Cattle are numerous, some settlers having very large herds. The beef is excellent, and commands a good price—from 5*d.* to 6*d.* sterling per lb. Sheep and hogs are rather scarce. The climate is very healthy, and I am in better health than I have been for years; and I have heard of several invalids coming here who have been completely restored to health. The great bulk of the population are half-breeds, partly of French and partly of English and Scotch origin, the principal settlements of Canadians being at the Portage (about sixty miles up the Assiniboine), and in the town there are a good many Americans. I like the people very well, and have been generally well treated, having plenty of employment ever since I arrived, and more before me, principally in helping to build up the town, which is fast growing, and I think a few years will see it no mean city. My general impression of the country is, that any industrious man, with a small capital, coming here, can, in a few years, secure a competency; but the great thing wanted is a railroad, and, in my opinion, the quickest way to secure it would be by building one to Pembina, on the Boundary Line, to join the St. Paul and Pacific road, and which could be done at a comparatively trifling cost. The Hon. Joseph Howe arrived yesterday. Governor McDougall has not arrived, but is expected within fourteen days. I will write you further particulars before long.

I am, &c.,

GARDINER ELLWOOD.

Crowell Wilson, Esq., M.P.P.

AN AMERICAN VIEW OF THE DIFFICULTY.*

(From the Minneapolis 'Tribune,' November 24.)

The latest news from Winnipeg is dated October 10. They indicate that the Insurgents are increasing their strength, having enlisted over 1000 men. They are commanded by Louis Riel, and the discipline maintained is remarkably perfect. A Republican form of government is to be instituted, and a Congress of all parties was to have met for that purpose on the 16th.

Five Indian Chiefs arrived at Fort Garry on the 7th, and tendered the services of their bands. These were accepted, and the force of the Insurgents is thus increased by thousands.

Twelve cases of rifles,* imported for McDougall's use were captured *en route*. These are a portion of the 1000 stand of arms that the would-be Governor was reported to have sent to the country.

Although Governor McTavish and Recorder Black, the only representatives the Red River country has in the new Government, are Members of the Hudson's Bay Company, that body find no fault with the proceedings; on the contrary, they offer them every facility for maintaining their position, and furnish the garrison with supplies.

While the 'Buffalo Express' is humorous enough (under care of Mr. Mark Twain) to talk as under:—
 "We have reason to believe that the Fenian organization is at the bottom of the Red River movement; that the Fenian leaders have been secretly at work for several months to bring it about, and that their later plans have been chiefly directed to their consummation. The present occurrences in the Red River country form the beginning of the execution of an entirely new Fenian programme, for which it is claimed that the organization has more means in hand, and better preparations, than it ever had before. Should it be the fact that their plans have taken the direction of such an initiative, the Fenian leaders are certainly to be credited with more shrewdness than has hitherto been evinced by them. The fertile British territory beyond Lake Superior is absolutely indefensible by Canada or England. Neither troops nor supplies can be conveyed to it in the winter season except through the United States. A small Fenian force will suffice to wrest it from the Dominion

* 350 in all.
A. D.

"and the Crown; and the territory is of immense extent and value. Its Fenian capture would be a decidedly hard blow, both morally and materially, to the powers, Imperial and Colonial, at which Fenian hostility is aimed. Whatever further direction the operations of the Fenian Brotherhood may take, it is expected, in their own ranks and by both the Canadian and American authorities, that the coming winter will see active undertakings of some sort."

CANADA.

RED RIVER.

Red River Settlement, British North America, 6th November, 1869.

The past week has been one of great excitement here, in consequence of the serious action taken by the parties opposed to the entrance of Lieutenant-Governor McDougall and his Staff. The events connected with this movement will doubtless have reached Canada before this letter; but as the world outside the Settlement cannot be expected fully to understand the motives or relative position of the parties implicated in the lawless proceedings of late occurrence, I shall endeavour to throw what light my observations on the spot enables me to collect upon what might appear to an outsider unintelligible.

The active opponents of the incoming Government are all of what is termed the "French half-breed" population. Their total number is about five thousand, of whom between six and eight hundred appear to be fighting men. In these numbers I include only the local population of the Settlement at Red River,—but scattered up and down the territory of Rupert's Land there are great numbers of the same class, regarding the gross number of whom I possess no means of forming an idea.

The whole nation has its origin between the traders and servants, European and Canadian, of the Hudson's Bay Company, and the Indian women whom they have married. Born at the different trading posts in every part of the country, the children of these people have settled at Red River, and, while still largely supporting themselves by the buffalo hunts and other roving modes of life, have brought certain limited portions of land in the Colony under rude cultivation.

As a class, they are quiet and civil when not excited, but when roused are quite destitute of self-control. Their honesty and trustworthiness are well known, their hospitality, more especially to each other, is great according to their means. Their extravagance is also, generally speaking, much observed, and their want of perseverance in sedentary pursuits is as remarkable as any of their characteristics.

They claim to be a nation, already, along with the English half-breeds, whom they claim as their brethren, in possession of this country, and entitled, under the Act of Confederation, to a voice similar to that ceded to the other Provinces respecting their entrance into the Confederation. They have always claimed a commanding interest in the country, and are now indignant at the Hudson's Bay Company for not having more effectually protected their assumed rights at the period of the transfer to Canada.

The English half-breeds have altogether abstained from taking any part in the demonstrations now being made. They, however, will not actively oppose them, and profess no sentiments of loyalty whatever to the Canadian Authorities. The entire population of Red River, in fact, with the exception of those now in arms, and a few Canadians lately arrived, are anxious only to preserve the tranquillity of the Colony, and destitute of any enthusiasm in the matter.

This state of matters would, however, I believe, be much modified in the event of bloodshed, even on a small scale. The disaffected are connected between each other and the English half-breed population by so many ties of kindred, race and friendship, that the death of any one would be revenged by further blood. The element of religion would also enter forcibly into the disturbance.

The interest of the French population in the opening up of the country to civilized life is, however, directly the reverse of the English interest. To the former, the cultivation of the prairies means the expulsion of the buffalo, which form their mainstay; the latter would merely feel the effects of increased competition in farming. Even, therefore, supposing considerable political influence to be conferred on the half-breeds as a class, those among them who would not obtain equal influence, as a matter of course among a settled population, would be compelled to make a radical change in their mode of life, or permanently leave the Settlement. In speaking of the different sections of the people, I, of course, describe them in bulk. There is a large section of the English half-breeds who will undoubtedly sink, through idleness and other causes, into a very low situation of society, while the French are not without men of intelligence and capability in various walks of life.

It has been reported of late, with some degree of assurance, though I know not on what authority, that encouragement has been given to the half-breeds by parties resident in the Settlement, of Fenian proclivities. A considerable number of immigrants from the States also profess a strong sympathy with the project of Annexation. At present the half-breeds hold themselves aloof from both these parties, although, in the event of hostilities, it is probable they might receive active aid from both.

I mentioned in a former letter that on the occurrence of events which gave a serious air to the disaffection of the half-breeds, the Council of Assiniboia, held a meeting on the 25th ult., at which the two leaders of the party of action were present. Attempts had previously been made by efforts at persuasion on the part of Governor McTavish, and others, to induce these people to abandon their opposition to the Governor's entrance, and the Council of Assiniboine, on the occasion in question, renewed these efforts with similar poverty of effect. Their arguments were useless.

The sense of the Council was then taken as to the course the Authorities ought to pursue. It is understood outside that three courses were debated,—one was to arm a select band of loyally disposed French half-breeds, and send them to force their compatriots to give way. A second plan was to invite a counter demonstration on the part of all the loyal population, in order that an overpowering

CANADA.

force of numbers might be drawn forth to go out to Pembina, unarmed, and escort Mr. McDougal in. The third proposition was, that Mr. McDougall should remain at Pembina until the force of persuasion, or the effect of the cold weather about to close in, might prevail on his opponents to break up their camp and disperse.

An attempt made forthwith by some of the French Members of the Council to ascertain how many of that section would arm themselves, showed conclusively that not even twenty or thirty could be induced to do so, and that such a step would only result in ridicule.

The propriety of the second course was discussed and finally settled at the Council itself. It was agreed by all representative men at the Board that the great bulk of the Settlement was quite indifferent about Canadian rule, and the prevailing feeling was that, as the business had not yet practically come before them, they would decline to encounter danger at the hands of their fellow settlers in defence of a body of officials, in the appointment of whom they had no voice, and in support of a Government hitherto known to them only by report. Colonel Dennis, whose efforts to ascertain the true feeling of the people generally regarding this matter, have been skilful and unremitting, is understood to have agreed with the Council in its estimate of the popular feeling, and the propriety of calling for such general counter demonstration as that proposed.

The third course, by which Mr. McDougall should remain for some time at Pembina until public excitement should abate, was therefore the only visible outlet of escape from the dilemma; but as its adoption lay entirely with the Lieutenant-Governor himself, the present Council had, of course, no voice in the matter.

No direct communication had yet passed between the Government of Canada or Mr. McDougall, and the Governor of Rupert's Land or the Council of Assiniboia. It is, however, generally understood that such a communication was opened by the Authorities here sending a Despatch to meet Mr. McDougall on his arrival at Pembina, acquainting him with the demonstration in course of preparation by the half-breeds. Colonel Dennis himself started early on the morning of the 31st ultimo, intending to reach Pembina by a round-about route, by which he would escape the obstructions placed upon the usual line of travel.

On the evening of the 30th October, Mr. McDougall reached Pembina, and was immediately advised by the advanced guard of the half-breeds of the impossibility of his reaching Fort Garry. He is said to have remained at Pembina quite satisfied that advance was impossible for a time. The gentleman in charge of the Company's frontier trading post was instructed to assist him to the utmost of his power; but the post of Pembina is one of the worst appointed stations in the country, and there is little doubt that, under even the most favourable circumstances, Mr. McDougall and his party must experience much personal hardship.

Mr. Provencher, one of the incoming Councillors, believing possibly that the obstacles to his progress might be less serious than was reported, proceeded on his journey, but, after coming as far as the head-quarters of the half-breeds at St. Norbert, he was forced to return to Pembina under armed escort.

Just as he was preparing to return, quite a commotion was excited at the barrier by the arrival of Captain Cameron, R.A., who, seeing only the regular guard of fifty men at the Barricade, determined to carry it by assault single-handed. It is reported to be only two or three feet high, and the Captain, urging the magnificent black horses which he drove to a gallop, was heard to make some remarks about "being accustomed to such matters." Luckily, he did not succeed in forcing his way through the Barricade, but, after driving over an Insurgent, his horses were seized by the others and brought to a halt without bloodshed. Meanwhile the mass of the disaffected, numbering perhaps five hundred armed men, who had been engaged at the moment at a little distance, in seeing Mr. Provencher commence his return journey, hearing a disturbance at the Barricade, rushed forward in great excitement, believing Mr. McDougall to have arrived. Captain Cameron requested permission to enter the Settlement for supplies, promising, if necessary, to return as soon as he could get them; but he was peremptorily refused, and compelled to return to Pembina with Mr. Provencher under armed escort.

Such is the account I have received of the details of this attempt to force a way through the Barricade. I believe the facts to be substantially true. It will, at least, show what people say here. Had Captain Cameron once passed the Barrier, he surely would have been shot.

On the 2nd instant, an armed party of one hundred of the Insurgents came to Fort Garry, of which they have since held possession. Armed sentries stand at the gates and patrol the platform. They scrupulously, however, respect property, and have forcibly stopped the sale of liquor both in the Fort and the village of Winnipeg. Parties entering and leaving the Fort, when unknown to the sentries, are questioned, and the watch is maintained day and night, the guard being regularly relieved at stated hours.

Outgoing and incoming mails are detained and subjected to examination at St. Norbert.

The organization formed by the Insurgents is called the "Republic of the Half-breeds," and is governed by a Council. A form has been gone through, which professes to be a "Proclamation of Independence."

It is generally expected that movements will take place, to enable the inhabitants of the Colony generally, to concur with the French population in the formation of a temporary Government.

(EXTRACTS FROM PRIVATE CORRESPONDENCE.)

Fort Garry, Red River Settlement, November 2nd, 1869.

Mr. Provencher was selected to confer with the Insurgents, as being able to speak their language. As Mr. Provencher was being turned back, Captain Cameron, R.A., who is appointed to some position

in the Government here, and Dr. O'Donnel, of Montreal, both of whom were on their way to the settlement, arose up, and, after being questioned, were put back along with Mr. Provencher. The gentlemen left their wives at Pembina, and were pushing on to the settlement for provisions, their upward journey having extended over a greater length of time than they had calculated on when setting out. None of the half-breeds having seen the Governor, they suspect every well-appointed person, and Captain Cameron came under their strongest suspicions. He was ready to come on here for supplies, but the decree was inexorable. The muster-roll yesterday was answered by 402 men, all bearing arms; and, while Mr. Provencher was present, about 100 more came into camp and took the oath. There are, besides, scouts out on the prairie, fears being entertained that Mr. McDougall may seek to come in by a round-about way. The mail in which my last letter was carried was intercepted, and the Postmaster had to go out to open it, in order that, if letters for the Government were contained in it, they might be seized. The inward mail due yesterday has also been detained, and the Postmaster is now trying to release it. The camp is daily attended by one or more of the Roman Catholic clergy. The letter of Mr. Cartier to Bishop Taché has been considered as an offence both to the Bishop and to themselves. They take an oath to abstain from intoxicating liquors until they have this matter settled, and, so far, have strictly abided by it. They have allowed large quantities of liquors to pass through their camp on their way here without touching any of it. In some cases they have opened boxes to search for rifles, but if they were not found they do not touch the contents. The Council of Assiniboia are doing nothing, but I understand have at last agreed upon an Address to be presented to the new Governor when he arrives. Governor McTavish is still very ill, and unable to take any part in the informal meetings of the Councillors, which are, I understand, held every day. The Canadian party claims to be able to bring together between 200 and 300 men, including Scotch and English half-breeds, and those among them who are looked upon as authorities, say this force can be at once commanded by the Council, and grumble that they have not been called upon to escort Mr. McDougall into the Settlement. Colonel Dennis, the Chief of the Surveying party, is the only person having any authority from the Canadian Government, and he has gone to see Governor McDougall at Pembina, so that there appears to be no danger of an opposition force being raised. The party under Mr. William Dease has, I believe, dwindled away, the men having mostly gone back to their homes. Will the Hudson's Bay Company be entitled to the 300,000*l.* now that they are unable to deliver over the Territory in peace?

Fort Garry, Red River Settlement, 6th November, 1869.

On the afternoon of the 3rd, about 100 of the Insurgents came in from the encampment at Stinking River, and marched into Fort Garry to take possession. The gates of the Fort were open, and no attempt was made to defend the place. The men have since remained there. They levy upon the Company for supplies of flour and provisions. The Secretary of the new Republic gave instructions to the officer in charge of the Fort to close the store in which the liquor is contained, and I believe has had the key handed to him. While the detachment was on its way to the Fort, wild rumours were spread abroad as to the designs of the approaching party. One of these rumours was to the effect that a party was to be despatched to fire the store of Dr. Schultz, and take the Doctor and Dr. Bown, proprietor of the 'Nor-Wester,' prisoners. These rumours were carried back to the party at the Fort, and their truth indignantly denied. They state they will molest no property, nor injure any individual. A rumour prevailed yesterday that an oath of allegiance was to be administered to all foreigners; but this I have also found to be false. Indeed, the discipline hitherto maintained has been quite wonderful. There has been no drinking, and the men are civil to all strangers who meet them. A night watch of about ten men is put over the town. The chief constable of the Council of Assiniboia has been superseded, and his work performed by the guard. Drunken men and women have been put into the Council gaol, and released by order of the new Authorities. The Government, so far, is generally acknowledged to be an improvement upon that of the Company.

A new flag has been adopted, which is composed of a white ground, upon which are displayed three crosses—the centre one large and scarlet coloured, the side ones smaller and gold coloured. A golden fringe binds the white ground.

I hear that there is to be a Proclamation, and that the reasons assigned for rising will be that their consent was not asked by the Canadian people—that they were "sold like so many sheep;" that the Canadian Government should, before entering into negotiations with the Hudson's Bay Company, have consulted the Natives of the country, and, if this had been done, they would have listened to what the Commissioners of the Government had to say; but, having been transferred in the way they were, nothing was left to them as brave men but to resent the insult. My informant was not sure that it will not be stated that if the Canadian Government still sends a Commissioner they will hear him, but will listen to no one sent in the capacity of Governor. As to their future intentions, they are, I believe, to state that they mean to administer the Government of the country in a republican form, only until they can communicate their position to the Imperial Government. They are anxious that it should be clearly understood that their actions have been solely directed against the Canadian, and not at all against the Imperial Government. They will not submit to be the "Colony of a Colony." Colonel Dennis, the Chief of the Surveying party here, went to Pembina to meet the Governor. He evaded the Insurgents in going, but, in coming back, was discovered and sent over the Line to join McDougall. His guide, an intelligent English half-breed, was captured, and held a prisoner for a day or two, but has now been released. The principal Officers of the Canadian Government here now are Mr. Snow, Superintendent of the road, and Mr. Grant, in charge of Colonel Dennis' office. They are both, I believe, without any instructions. The Council of Assiniboine is doing nothing, and we are all waiting for "something to turn up." Mr. Charles Mair, the author of 'Dreamland,' and Paymaster of the road, is supposed to be in the hands of the Insurgents, as he had left Pembina, and has not since been heard of.

CANADA. No fears are entertained of his safety; but he may be either detained for a few days and searched, or sent back over the Line. Dr. Schultz has been in the habit of hoisting on Sundays and holidays the British flag, with the word Canada written on the red ground. I hear it is the Doctor's intention to hoist it as usual to-morrow, and there are predictions of evil if this should be the case. Mr. McDougall's party had a cold and very long journey over the plains, and I fear they will suffer on their return from bad roads and unsettled weather.

P.S.—Mr. Mair has just arrived, having been kept prisoner for two days.

THE MINNESOTA PRESS UPON THE RED RIVER AFFAIR—A CHANCE FOR GOVERNOR
McDOUGALL TO GO AS WELL AS LOOK TO WASHINGTON.

(Correspondence of the St. Paul Press.)

Pembina, November 8.

On Tuesday, the 2nd inst., the Red River Troops took quiet possession of Fort Garry and the Government House. Winnipeg is under martial law. No soldier is permitted to take a drop of spirits. The most stringent discipline is observed. If a citizen or outsider is found drunk or disorderly he is promptly arrested and confined until sober and quiet.

The Governor has called upon the Canadian Government for troops, and inasmuch as it is impossible to import them by any other route, permission to pass them through United States territory will be requested. But it is to be hoped that our Government will not bring civil war upon the Red River people by granting such a request. The people being united, no civil war can exist until coercion be attempted, and if our Government declines, coercion is out of the question; and so long as civil war does not exist, the rights of person and property will be respected. The American residents remain non-committal, but should it unfortunately come to blows, they to a man will be found in the front ranks of the citizen troops. Captain Cameron, one of the Governor's law-makers, a half-witted unfortunate, proposes to head 400 Canadians (when they arrive) and penetrate the territory as far as Lake Winnipeg! Should those 400 soldiers be as brainless as the proposed "head," the penetration would not be great.

I am sorry to inform you that Governor McTavish is very ill, and not expected to recover.

SPECTATOR.

(From the 'St. Paul Pioneer,' November 21.)

The distinguished Canadian gentleman now sojourning at Pembina, will probably have leisure in his winter quarters to consider the best means of establishing his authority at Selkirk upon sure foundations. And it must now be apparent to a politician of his astuteness, that it would have been wiser, simultaneously with the negotiation between the Hudson Bay Company and the Earl of Granville, to have consulted, in some form, the wishes and feelings of the party most interested—namely, the people who have occupied the Red River country for the last fifty years. Such a plebiscite would have had only one result: the declaration would have been almost unanimous for the Canadian connection; and, in that case, Mr. McDougall would have gone forward with all the sanction and prestige of the popular voice.

The Legislature of Minnesota were not wanting with a word of excellent advice on the subject. We find by reference to the general laws of the tenth Session, under date of March 8, 1868, that the following Resolutions were adopted and communicated to the Government at Washington:—

Resolved,—By the Legislature of the State of Minnesota, * * * * That we regret to be informed of a purpose to transfer the territory between Minnesota and Alaska to the Dominion of Canada by an order in Council at London without a vote of Selkirk and the settlers upon the sources of the Saskatchewan River, who largely consist of emigrants from the United States; and we would respectfully urge that the President and Congress of the United States shall represent to the Government of Great Britain that such action will be an unwarrantable interference with the principles of self-government, and cannot not be regarded with indifference by the people of the United States.

That the Legislature of Minnesota would rejoice to be assured that the cession of North-West British America to the United States, accompanied by the construction of a Northern Pacific Railroad, are regarded by Great Britain and Canada as satisfactory provisions of a treaty which shall remove all grounds of controversy between the respective countries.

These friendly suggestions failed to change the Anglo-Canadian policy, and it now remains for the Ottawa Ministry to determine whether it is not still expedient to authorize some formal expression by the inhabitants of Selkirk. Perhaps, also, the Canadians might find in the proposition of a cession of the North-West Territory to the United States a potent agency to secure access to American markets on terms even more satisfactory than by the abrogated treaty of June, 1854. At present, even if Mr. McDougall makes his way to Fort Garry, this North-West acquisition, with its half-breed and Indian incumbrances, will be a burthen and a snare to Canada; but if its transfer to the United States will assist to a commercial union with the United States, will it not be better, not only for Canada but for the Hon. William McDougall himself, whom we hereby nominate as the first United States Senator from Selkirk?

RED RIVER SETTLEMENT.

29

THE NORTH-WEST.

CANADA.

Some Letters which appeared in the 'St. Paul Press,' in Selkirk Settlement, indicate that the American residents in that Territory are far from being uninterested spectators of recent events. They warn and entreat the American Government not to permit Canadian Troops to pass through the United States. A Meeting is also to be held at St. Paul, designed to influence the Washington Authorities to take that course.

There is nothing, however, in the actions or Proclamations of the Insurgents to indicate that they have any desire to bring about the Annexation of the Territory to the United States. The Catholic Clergy, by whom they are influenced, will certainly do everything in their power to prevent any such result, and we do not doubt that any attempt on the part of Fenian Sympathisers to reach the Territory would be met with stern resistance by the present Insurgents. The last news from the Territory indicates a desire on the part of the French half-breeds to join themselves to the English population in the formation of a Government. The French cannot control the Territory alone, and the proposal is an indication of returning moderation of feeling, which will undoubtedly be welcomed by the rest of the population. When a *rapprochement* takes place between the two classes, an opportunity will be presented for the opening of negotiations, which will probably lead to the conclusion of peace. It is said, that a very strong prejudice has been excited by Mr. McDougall's appointment. It remains to be seen whether it can be removed. We hope that it may, for a change of Governor will be a sign of weakness which we should regret; but no personal considerations ought to stand in the way of a peaceable settlement of the issue which has been mainly raised by the errors of our Government.

We observe that it is reported in Ottawa, that inquiries are being made as to the feasibility of sending troops to Red River by the Fort William route. A much more reasonable proposal would be to enlist the French half-breeds themselves as the preservers of order in the Territory. We have not the least doubt that, when the causes of dissatisfaction, which at present exist, are happily removed, they will be loyal supporters of Canadian Authority, and admirably qualified to act as Frontier Police. They are excellent horsemen, accustomed to the use of arms, and to obey the leaders whom they themselves select, when they traverse the plains in search of buffalo. Give them leaders of the right sort, and neither Fenian Sympathisers nor marauding Sioux will be able to stand before them.

No. 9.

No. 9.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 147.)

Government House, Ottawa, Canada,
9th December, 1869.

(Received December 25th, 1869.)

(Answered No. 7, January 8th, 1870, page 173.)

MY LORD,

I have the honour to forward herewith a number of Papers, which bring the accounts received from the North-West down to the present date. I beg, also, to enclose a copy of a Letter which I addressed to Governor McTavish. I sent similar letters to the Lord Bishop of Rupert's Land, and to the Reverend Father Lestanc, who, in the absence of Bishop Taché, is the head of the Roman Catholics in the Settlement. These letters I entrusted to the care of Grand Vicaire Thibault and Colonel de Salaberry, who have been selected by the Dominion Government to act as envoys and represent matters in their true light to the inhabitants of the Red River Settlement.

The Grand Vicaire Thibault lived and laboured amongst the people in the North-West until recently, for more than thirty-six years. He has much influence, being greatly beloved, and holding a high position in the Roman Catholic Church.

Colonel de Salaberry is a son of the officer who commanded at the victory of Chateauquay; he has passed several years of his life in the North-West Territory, and is looked up to as a leader and friend by the French half-breeds.

Governor McTavish's illness has been a serious drawback, and much to be regretted.

Mr. Smith, the Hudson Bay Company's second in command, leaves Ottawa on Monday next, in order to assist, or, in case of emergency, replace, Mr. McTavish.

I am very sanguine that success will attend the Mission we have despatched, and trust your Lordship will approve of the instructions which have been given, and the measures which have been adopted, after anxious deliberation, with the hope of restoring order and tranquillity, and conquering, without menace or resort to force, the opposition

CANADA. — which has been engendered at the Red River by false rumours and mistaken anticipations of evil.

I have, &c.,
(Signed) JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c.

* Page 172. P.S. Your Telegram, of December 9th,* reached me after the above Despatch was written. You will see I had already made the first Telegram the base of a Proclamation, of which copies will be forwarded.

Enclosures
in No. 9.

Enclosures in No. 9.

SIR,

Ottawa, 29th November, 1869.

I had the honour to receive, on Friday, your Despatches of the 5th and 7th November; the former dated from Pembina, and the latter from Larose's Farm. Eight enclosures, including your Correspondence with Governor McTavish, and the Reports made to you by Colonel Dennis and Mr. Provencher also came safe to hand.

These Papers were at once laid before the Governor-General and Council, and were anxiously considered by the Privy Council. The crisis was grave, as it was unexpected, and might, if dealt with rashly and unwisely, lead to a civil, if not a National War, the end of which no man could foresee.

It was the first duty of the Government to acquaint Her Majesty's Ministers with the facts reported, and a cable message was sent at once by the Governor-General to the Secretary of State for the Colonies, and copies of all the Papers have been forwarded by the mail for England, which left Ottawa this morning.

The Insurrection you describe is not merely an expression of dislike to the Government of the Dominion, but an open violation of Imperial Legislation and defiance of the authority of the Crown. All the negotiations for the transfer of the country had proceeded with the sanction of Her Majesty's Government, and the purchase money had been raised under an Imperial Guarantee. It was assumed on both sides that the Queen's right of Sovereignty was indisputable, and that Her power to protect Her subjects even in that distant part of Her Dominions would be asserted with firmness and decision. It therefore appeared to the Privy Council unwise to complicate matters by any hasty action until the policy of the Queen's Government was known.

The Governor-General is still in telegraphic communication with the Secretary of State, and I may be able, before closing this Despatch, to convey to you, with some degree of clearness and accuracy, the views of Her Majesty's Government.

In the mean time I have it in command to express to you the anxious desire of the Governor-General in Council that all collision with the Insurgents may be avoided, and that no violation of the Neutrality Laws of the United States shall give a pretext for the interference of their Government.

This will be conveyed to you by a special messenger, who, as he speaks French fluently, and is a gentleman of some experience, may be of service.

You will for the present remain at Pembina, cheered by the conviction, which animates us here, that Her Majesty's Ministers will duly estimate the gravity of the facts reported, and take such steps as will, while carefully providing for the good government of the North-West, maintain the authority and vindicate the honour of the Crown.

I have, &c.,
JOSEPH HOWE.

P.S.—The messenger cannot leave for a day or two. Duplicate will be sent by him.

The Hon. WILLIAM McDougall, C.B.
&c. &c. &c.

SIR,

Ottawa, 4th December, 1869.

La Rose's
Farm, Pem-
bina, 13th
Nov., 1869.

Adverting to my Letters of the 22nd and 27th ultimo, I have the honour to transmit to you herewith, for the information of His Excellency the Governor-General, a copy of a Despatch received at this Department, yesterday, from the Hon. Mr. McDougall, together with copies of the Enclosures therein mentioned.

I have, &c.,
JOSEPH HOWE,
Secretary of State for the Provinces.

F. Turville, Esq., Governor's Secretary,
&c. &c. &c.

RED RIVER SETTLEMENT.

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SIR,

La Rose's Farm, Pembina, 13th November, 1869.

CANADA.

I have the honour to state, for the information of His Excellency that I am still without any further communication from the Hudson's Bay Company's authorities at Fort Garry. I have received, through private channels, notice that my Letters of the 2nd and 4th instant to Governor McTavish were placed in his hands on Monday morning last, and that a Meeting of Council was called for that day. But though a week (nearly) has elapsed, and private persons have found means to send letters to me, and to other members of my party, written at Fort Garry as late as Thursday (the 11th), the Government have either had nothing to communicate, or found themselves unequal to the task of reaching me. I learn also that they have issued no Proclamation or warning to the Rebels, and those who, believing the stories now current that the Hudson's Bay Company is opposed to the Government of Canada, may be inclined to join their ranks. I cannot account for this extraordinary reticence and hasty surrender of authority by the legal rulers of the country upon any theory but that of the weakness and imbecility of the Governor, and the complicity of some Members of his Council with the Insurrection. I have evidence that one of his Councillors, at whose house some of the first meetings of the malcontents were held, is in correspondence with the American plotters at Pembina, and trying to find out through them what my intentions and movements are! This treason within the Council will also account for the stopping of supplies which were ordered by the Hudson's Bay Company's Agent here, for our use as well as his own, and which the Rebels could have known nothing about, unless some of the Hudson's Bay Company's employes had disclosed their destination. The Rebels had not previously interfered with the Company's carts or trade operations.

I enclose a printed Paper (A) issued by the Rebels at Fort Garry on the 6th instant. It was printed at the office of the 'Nor-Wester' by the Rebels, who seized the office for the purpose, the proprietor and his employes refusing to have anything to do with it. The type was set by a Yankee in their ranks, and the proof corrected, as I am informed, by Mr. Ross, late of the 'Globe' Office, Toronto. This "Call" was enclosed in a letter under cover to the Postmaster at Pembina, which he delivered after some hesitation, and stating that he would not, in future, deliver letters to me which might come addressed under cover to him. The Post Office here is very loosely conducted, and is entirely at the service of the Insurgents and their sympathisers. Many letters appear to have been opened, and the general opinion is that this *accident* occurs at Pembina. It might not be amiss if Mr. Thornton requested the United States Postmaster-General to instruct his subordinates here to show more care and courtesy in the conduct of his office than he has hitherto done.

My information from the Settlement, verbal and written, leads me to believe that this "call" of the French half-breeds will not be responded to by the English-speaking part of the population, except a few traitors who have been in the plot from the beginning, and who may take this opportunity to declare themselves.

Sunday, 14th.

The Letter (B) which reached me to-day is without signature; but from the hand-writing I know it to be from Mr. Snow, Superintendent of the Government Road. It merely confirms information which has reached me by various means for the last two or three days. The recommendation that I should issue a Proclamation at once, is not made for the first time; but I have uniformly replied that until the transfer of the Territory has taken place, and I am notified of the fact, I shall not assume any of the responsibilities of Government. Messrs. Richards and Provencher concur with me in this policy.

Papers C and D are extracts from Letters received during the week. The one, marked "C," is from Mr. Mair, who was at St. Paul when the outbreak occurred, but was allowed to pass the Barricade after some delay, on his return to Fort Garry; and extract "D" is from a Letter written by a young Englishman who was on his way to Fort Garry to see the country, with a view to settlement. He travelled part of the way with Mr. Begg, and was allowed to pass the Barricade in charge of one of the Hudson's Bay Company's waggons.

I enclose also a communication "E," just received from the "friends of Canada," through the same channel as the one marked "H" in my Report of the 5th instant. It apprises me, as will be seen, of a state of things in the Rebel ranks which, if true, gives hope of a more easy solution than a few days ago seemed possible.

I directed Colonel Dennis to answer this Letter by the same messenger, to the effect that I was still here and intended to remain, advising that any action by the loyal inhabitants should be taken with deliberation and as much unanimity as possible, and promising that they should hear from me officially very shortly. They were asked to report promptly the result of the "Call" on the 16th instant. A notice posted at the foot of one of the printed "Calls," fixing a place of meeting in the parish of Kildonan, is in the handwriting of one of Governor McTavish's Councillors. This Paper is now in my possession.

The last Mail from Canada brought me no official Letters. I expected to hear by this time that the "Transfer" had been agreed to and the Imperial Order in Council passed. If I do not receive notice of this "Order" in a few days, I shall be much embarrassed in my plans, and the leaders of the Insurrection will be emboldened and strengthened. They understand perfectly that I have no legal authority to act or to command obedience till the Queen's Proclamation is issued.

The weather is still mild for this latitude. The earth is not frozen on the prairie to a greater depth than four inches; the snow barely covers the ground, and yesterday it rained for two or three hours.

I have, &c.,
(Signed)

WM. McDougall.

The Hon. the Secretary of State for the Provinces,
Ottawa, Canada.

CANADA.

(A.)

PUBLIC NOTICE.

To the INHABITANTS of RUPERT'S LAND.

Winnipeg, 6th November, 1869.

The President and Representatives of the French-speaking population of Rupert's Land in Council, "the invaders of our rights being now expelled," already aware of your sympathy, do extend the hand of friendship to you our friendly inhabitants, and in doing so invite you to send twelve Representatives from the following places, viz.:—

St. John's 1, St. Margaret's 1, Headingly 1, St. James 1, St. Mary's 1, Kildoman 1, St. Paul's 1, St. Andrew's 1, St. Clement's 1, St. Peter's 1, Town of Winnipeg 2, in order to form one body with the above Council, consisting of twelve members, to consider the present political state of this country, and to adopt such measures as may be deemed best for the future welfare of the same.

A meeting of the above Council will be held in the Court House at Fort Garry on Tuesday, the 16th day of November, at which the invited Representatives will attend.

By Order of the President,

LOUIS RIEL, Secretary.

(B.)

"Fort Garry, 9th November, 1869.

"Council in deliberation to-day on yours. Received all right. Decision not known. Saddle will fall on right horse. 'Call' made on the different parishes by Manifesto of Riel, who seized 'Nor-Wester' Office, and by force used the press. English and Scotch parishes will not respond.

"Issue Proclamation, and then you may come fearlessly down. Hudson's Bay Company evidently shaking.

"By no means leave Pembina."

(C.)

"Winnipeg, 8th November, 1869.

* * "The Company, beyond all question, are deeply concerned in the matter. Half-breeds themselves declare that they have received assistance. Insurgents in *quasi* possession of Fort Garry receive their supplies there. Yours received all right. Council in deliberation to-day. On no account leave. The English have not risen, because they have not been called upon by the authorities—otherwise *they would have risen*. Issue your Proclamation, and it will be responded to by 500 men.

"Mr. Snow was told by Mr. Riel to-day that the road would be stopped. Last night they took possession of 'Nor-Wester' Office and printed off a 'Call,' of which a copy is enclosed. The types were set by a Yankee whom they brought with them, and the proof was *revised by Mr. Ross*. All the Yankees here are openly concerned in it, including certain merchants. Will write at length to-day.

"Monday evening.—There is a rumour that Fenian aid has been invoked, through the agency of Donaldson, probably. The Company are at nonplus regarding your determination to remain at Pembina. A meeting of Council held this afternoon, which, the Archdeacon informed us this evening, resulted, he understood, in nothing.

"The Pointe de Chene half-breeds are opposed to the stoppage of the road, which is a great benefit to them, but have made their boasts that they will only allow it to be built so long as matters go on to suit them. Mr. Snow thinks it would have a good effect to stop the works for a time, to bring want as a pressure upon them. They are all off the works you may say, and it would be folly to hire one-half of them to feed the other half.

"If the Company shut down upon the Insurgents, which they can do at any moment, they cannot subsist for any length of time upon their own means. I think, with many others, that your best course is to remain at Pembina until further developments."

(D.)

"MY DEAR * * *

"Fort Garry, November 11th.

"I write you these few lines, hearing that you are still on the borders of this pleasant land, I got in all right thanks to * * * and am rather pleased with the place. The Government now established is a Republic, with, of course, French half-breeds for its officers. The English half-breeds are perfectly loyal, and will continue so if there is a chance of the Government coming in. I believe that as soon as the Proclamation is received that they will rise and 'lick' the French; of course we shall all go in, that is, the Canadians and English now in the Settlement. The French have the Fort guarded by 140 men, and have taken possession of the artillery and other arms stored there. They are making the Hudson's Bay Company *find* them without pay, which serves them right, as when they had cash they did not mind letting them into the Fort,

" which, with the help of the loyal, they might easily have held ; but it is evident, between you and me, " that they at first were well pleased at the way things were working, and even since I was here, " when the half-breeds heard that Mr. McDougall left for Ottawa, they gave up the Fort, but " returned next day and got it again. My firm opinion is, that the affair will not be settled until " forces are brought from Canada. No blood has yet been shed, but it is impossible to say the " day that it may be. All property is respected at present but the Hudson Bay Company, which is " used *pro bono publico* ; of course we are all doing nothing. Send me a line of what you are doing, " and what is being done to bring this miserable affair to a conclusion.

" Believe me, &c"

CANADA.
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(E.)

Friday, 12th November, 1869,
Town of Winnipeg.

COLONEL DENNIS, DEAR SIR,

The communication to " friends " of the Canadian Government " Town of Winnipeg," and to Governor McTavish, under cover to Mr. Grant, arrived this morning, and were at once delivered by Mr. Grant. The mail of Tuesday contained letters for his Excellency and for yourself, under cover to Charles Cavalier and Colonel Stuttsman respectively, but we believe they have been taken out, as the mail-bag was brought back to the Post-office and there examined. In future all mail matter is to be examined both ways. Riviere Salé is now guarded by half-a-dozen, Fort Garry being headquarters, and particular pains are taken to see that no communication reaches the Governor, who is still *said* (?) to be very sick. Reports of yesterday speak of a split between Riel and Bruce, and a determination on the part of the former to oust the latter apart from the Mission influence. Bruce has the largest personal following, and the result will, of course, be good. Indications show things to be shaky in their camp, more especially since they have heard that the English half-breeds have taken all the ammunition from the magazines at the Lower Fort and secreted it. This information led to a demand the day before yesterday from Riel, for the keys of the bastions at Fort Garry, where the guns are, and they have since been guarded at night. The shot and shell, however, belonging to them were at the Lower Fort.

Indians, to the number of fifty, had a grand meeting in this neighbourhood the day before yesterday, " Pegwis " (Prince) presiding, highly indignant with half-breeds ; result, a letter from them to the Governor, entrusted to Mr. Grant, to forward their interests in this matter, being so directly antagonistic to the claims of the half-breeds, that coupled with the fact that Indians are, as a rule, on the side of the provisions and pay, there is not the slightest cause to apprehend danger from them, but rather powerful support at any moment, having the sanction of Government, and English half-breed heading.

We will have a strong protest into the Authorities here at once against their inaction, and embodying the suggestions made in the Letter. We believe that time, a short time, backed by anything official from Governor McDougall, will bring about a solution of the difficulty, and that, if something comes in the way foreshadowed in the Letter, we will guarantee the result.

In most of the parishes no answer will be made to Riel's Proclamation, or, if acted on at all, will be simply to send a letter, protesting against their past and present action. They are trying to get an election of * * * and McK. (McKenny) from the town, but will, I think, be able to frustrate that, if the Americans do not turn out too strong.

This method of communication may be trusted, and is being paid for in full here. Mr. * * * is at Oak Point, and stops all contracts to Pointe du Chene half-breeds. The effect will be to turn their influence against those who have rendered it necessary for the Government to withhold its hitherto liberally spent money.

We want guidance at once, force, if necessary, is available ; but we believe that patience and proper authority will force the present Government to action. Town people are beginning to tire of feeding and encouraging their *guard*, and the guard in turn resent the falling off of attention. One of the Captains told us he was forced into the affair, and wished our good offices to clear him when the time of examination in the affair came.

The cause is quietly and surely advancing with the English element, and gaining ground even with the French, and we feel sure that all will be well. * * *

EXTRACTS of a LETTER addressed to the SECRETARY OF STATE FOR THE PROVINCES, by a GENTLEMAN resident at St. Paul, Minnesota, dated November 26th, 1869.

I sent your letter by mail to Mr. McDougall, under cover to a trusty friend at Pembina, with instructions to deliver it in person to that weather-bound gentleman.

I am in frequent receipt of letters by mail or private hands, three or four times a week from Pembina. Mails to that point are safe ; beyond it, all, both ways, are ransacked, and the contents examined, and nothing is allowed to pass without the countersign of some Insurgent inspector.

The events occurring at Red River naturally excite a good deal of interest here, and though there is, of course, a general desire that the affair may result in the annexation of the country to the United States, the main anxiety here is that bloodshed should be avoided, or anything like war, for our people are very apprehensive that such a conflict would draw the Indians of both sides into it, and involve our own border in the horrors of an Indian war. I have not, of course, the slightest idea

CANADA. — what your Government are going to do about it, but to us here it seems the height of imprudence to attempt coercion.

From what I can learn there is at present very little, if any, annexation sentiment in the country; but coercion would be likely to force that alternative. There is a little dash of the Fenian in the leadership. A young Irish priest named O'Donahue, attached to Bishop Taché's establishment, being said to supply the brains of the movement.

From the GOVERNOR-GENERAL to GOVERNOR MCTAVISH.

SIR,

Government House, Ottawa, 6th December, 1869.

Nov. 26, 1869.

I have the honour to address you in my capacity of Representative of the Queen and Governor-General of Her Majesty's British North-American Possessions, and to enclose, for your information a, Copy of the Message which I received from Earl Granville, in reply to the accounts which I had sent officially of the events which have taken place at the Red River.

This Message conveys the matured opinion of the Imperial Cabinet. The Proclamation I have issued is based upon it; and you will observe it refers all who "have desires to express or complaints to make," to me as invested with authority to act on behalf of the British Government. Every claim or complaint which may be put forward will be attentively considered, and the inhabitants of Rupert's Land, of all classes and persuasions, may rest assured that Her Majesty's Government has no intention of interfering with, or setting aside, or allowing others to interfere with or set aside, their religious rights and the franchises which they have hitherto enjoyed or to which they may hereafter prove themselves equal.

You will please to make what use you think best of this Communication, and of the Enclosure.

I have, &c.,

William M'Tavish, Esquire,
&c. &c. &c., Governor of Assiniboine.

(Signed) JOHN YOUNG.

Copy of a TELEGRAM from The EARL GRANVILLE to SIR JOHN YOUNG.

Make what use you think best of the following.

The Queen has heard with surprise and regret that certain misguided persons have banded together to oppose by force the entry of the future Lieutenant (?) Governor into Her Settlements on the Red River. Her Majesty does not distrust the loyalty of Her subjects in these Settlements, and can only ascribe to misunderstanding or misrepresentation their opposition to a change which is plainly for their advantage. She relies on your Government for using every effort to explain whatever is misunderstood, to ascertain the wants and to conciliate the good will of the Red River Settlers. But meantime She authorises you to signify to them the sorrow and displeasure with which She views these unreasonable and lawless proceedings, and Her expectation that if any parties have desires to express or complaints to make respecting their condition and prospects, they will address themselves to the Governor-General of the Dominion of Canada.

The Queen expects from Her Representative, that as he will always be ready to receive well founded grievances, so he will exercise all the power and authority with which She has entrusted him in the support of order, and for the suppression of unlawful disturbance.

(Signed) GRANVILLE.

Copy of a TELEGRAM from MR. DWIGHT to SIR JOHN McDONALD.

Dated, St. Paul's, Minnesota,
6th December, 1869.

Mr. Thomas Boddy, a reliable man, who left Fort Garry November 22nd, gives following intelligence:—The Scotch and English half-breeds are disgusted with the course of the French half-breeds in the disturbance, and utterly refused to join with them, and it is believed the Insurrection is dying out—only about fifty Insurgents remain under arms. The remainder is disbanded, and a large portion of them have gone to the plains upon their winter buffalo hunt.

The Insurgent Council met 10th and adjourned to 22nd. Result of their deliberations unknown; but it is thought probable, by the inhabitants of Settlement, they will decide to abandon insurrectionary movement, and invite Governor McDougall to come in and assume reins of Government. The Indian Tribes, the Crees and Bungeis, are both favourable to McDougall. Mr. Boddy says, so strong was opposition of English and Scotch inhabitants to course pursued by the French element, that had the

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time arrived for the Hudson Bay Company to turn over the Government to Dominion, when Governor McDougall reached the border they would have risen in arms, and have conducted him to Fort Garry; but until 1st December Governor McDougall would have no authority there, nor would they be justified in taking measures to bring him within the Settlement. They therefore let things take their course, biding their time until December 1st, at which date McDougall will issue Proclamation, and probably find little or no opposition to his entry. Governor McTavish was lying very ill, with no hopes of recovery, yet his authority is respected in Civil matters. Since his Proclamation, mails have not been tampered with nor have travellers been molested.

(Signed) H. P. DWIGHT.

CANADA.

Department of Secretary of State for the Provinces,
Ottawa, December 7th, 1869.

SIR,

I had the honour to address to you Despatches on the 19th and 29th November, which, in view of the insecurity of the mails, were enclosed to a friend at St. Paul, to be sent forward, if possible, by private hands. For fear that they may have miscarried, duplicates are annexed to this.

Your Despatch of the 13th ultimo, with its Enclosures from A to E, reached me on the 3rd instant, and was immediately laid before the Council. Copies will be sent to the Colonial Secretary this week.

I have now the honour to inform you that the Very Reverend M. Thibault, accompanied by Charles de Salaberry, Esq., proceeds to-morrow, via St. Paul and Pembina, to Fort Garry, for the purpose of assisting in putting down the unlawful assemblage of people on the Red River, and obtaining access for the Canadian Authorities into the North-West.

M. Thibault has had great experience in that country, having been for thirty-seven years a priest there, and having only left it last year.

Mr. de Salaberry has also had considerable experience in dealing with the French half-breeds.

After consulting with you, they will take such action with these people as they think most calculated to carry out our objects, and it may perhaps be politic that they should have as little open communication with you as possible.

It is, of course, advisable not to arouse the suspicions of the Insurgents, who would be very likely to view with disfavour any persons coming directly as agents from you, and acting under your instructions. You will, however, be good enough to strengthen their hands as much as possible.

With them we send you a Proclamation issued by the Governor-General by the direct command of Her Majesty. This should be widely disseminated, in such a manner and at such a time as you think most expedient. It has also been thought well to print copies of your Letter of Instructions, which will of itself show how unfounded is the charge that the North-West is to be governed without the interposition or aid of the residents, but by Canadians solely.

Messrs. Thibault and de Salaberry will be followed by Donald A. Smith, Esq., the Hudson's Bay Agent at Montreal, who now occupies the position formerly held by Mr. Hopkins. In his capacity as an officer of the Hudson Bay Company he will obtain ready access to the country, and to Governor McTavish, and it is hoped that he will be able to strengthen that gentleman in his attempts to restore law and order at Fort Garry.

In order to give his representations due weight and importance, Mr. Smith has been asked to act as a Commissioner holding confidential relations with the Canadian Government. In that capacity, having once reached Fort Garry, he will be able to speak authoritatively as to the beneficent intentions of the Government.

We hope that calmer counsels will soon prevail, and that these misguided people will disperse. So soon as they do so, you will, I presume, proceed to Fort Garry and carry out your instructions.

It will be well for you to arrange for sending messages to St. Cloud, so that we may know by telegraph that order has been restored. On receiving this information, His Excellency will communicate the fact, by cable message, to the Colonial Office, and the Proclamation will be at once issued. It has been hitherto delayed, so that the authority of the Hudson's Bay Company might continue unimpaired, until it was replaced by the Canadian Government, as represented by you.

I have the honour also to send you an Order in Council, passed this day, on the subject of Customs Duties. You will now be in a position, in your communications with the residents of the North-West, to assure them:—

1. That all their civil and religious liberties and privileges will be sacredly respected.
2. That all their properties, rights, and equities of every kind, as enjoyed under the Government of the Hudson's Bay Company will be continued to them.
3. That in granting titles to land now occupied by the Settlers, the most liberal policy will be pursued.
4. That the present Tariff of Customs Duties will be continued for two years, from the 1st January next, except in the case of spirituous liquors, as specified in the Order in Council above alluded to.
5. That in forming your Council the Governor-General will see that not only the Hudson's Bay Company, but the other classes of the residents, are fully and fairly represented.
6. That your Council will have the power of establishing municipal self-government at once, and in such a manner as they think most beneficial to the country.

CANADA.

7. That the country will be governed, as in the past, by British Law, and according to the spirit of British justice.

8. That the present Government is to be considered as merely provisional and temporary, and that the Government of Canada will be prepared to submit a measure to Parliament granting a liberal constitution so soon as you as Governor and your Council have had an opportunity of reporting fully on the wants and requirements of the Territory.

You had, of course, Instructions on all the above-mentioned points, excepting as regards the Tariff, before you left Ottawa, but it has been thought well that I should repeat them to you in this authoritative form.

Trusting that ere long you may be in a position to carry these liberal propositions practically into the Administration of the affairs of the North-West,

The Honourable William McDougall, C.B.

I have, &c.,

(Signed)

JOSEPH HOWE.

SIR,

Ottawa, 9th December, 1869.

Nov. 20, 1869.

I have the honour to transmit to you herewith, for the information of His Excellency the Governor-General, a Copy of a Despatch, with Enclosures, marked from A to C inclusive, from the Honourable William McDougall, giving a detail of the occurrences in the North-West Territories since the date of his Despatch of the 13th ultimo, a Copy of which was enclosed to you in my Letter of the 4th instant.

I have, &c.,

(Signed)

JOSEPH HOWE.

F. Turville, Esquire, Governor's Secretary.

SIR,

Larose's Farm, Pembina, U.S.

20th November, 1869.

I have the honour to enclose, for the information of His Excellency, the Reply of Governor McTavish to my communications of the 2nd and 4th instant, which only reached me last night. (Copy "A.")

Also Copy of Correspondence which has passed between certain "loyalists" in the town of Winnipeg and Colonel Dennis, who is still with me, and writes under my direction. (Copy "B.")

Also a printed Copy of a "Protest," or "Appeal," of these Loyalists to Governor McTavish, and of the "Proclamation" which at last he was induced to issue. (Paper "C.")

I have not yet made any reply to the lengthy and somewhat extraordinary communication which the representatives of the Hudson Bay Company at Fort Garry have thought themselves called upon to address to me, nor have I made any arrangements with a view to the "movement" which they have recommended in its concluding paragraph. As the main object of my correspondence with them has been accomplished; to wit, the issue of a *Proclamation* against the Insurgents, I shall await for a few days the effect of this proceeding before determining upon the course of action which I ought to adopt myself or recommend to others. I am sure His Excellency will acquit me of indifference to the just claims of Canada, and the reputation of its Government, or to the duties of the position I have the honour to hold as its Representative, if I abstain, in the presence of the grave events now transpiring, from all controversy with Governor McTavish, or any other employé of the Hudson Bay Company, as to the propriety of the political arrangements with respect to the North-West Territory, which the Imperial Government has authorised and sanctioned, and the Government of Canada undertaken to carry out. With respect to Governor McTavish, I may observe that the report is current that he is still seriously ill, and that Mr. Black is the writer of the communications which have reached me over the signature of the Governor. How far the personal views and private feelings of Mr. Black, who lately informed Colonel Dennis that he was about to quit the Territory, may have influenced the policy of the Local Authorities and found expression in their Official Correspondence, may hereafter appear, but I shall not assume that either the policy adopted by these gentlemen, or the opinions entertained by them of the acts of Her Majesty's Government in England, as well as in Canada, has received, or is likely to receive, the sanction of the Hudson Bay Company.

Except the supply of a few articles of food and clothing, for which the prices charged are on the average higher than those of the American traders in the neighbourhood, and the two Letters from Governor McTavish, of which Copies have been forwarded, I have received no assistance, or suggestion, or communication of any kind, from the Company's Agents in the Territory since my arrival at this place. I have been obliged to organize an independent private means of communication with the Settlement in order to ascertain the movements of the Rebels, as well as of the Loyalists, and I may add of the Government itself. Even the Protest or Proclamation issued by the Governor has not yet been forwarded to me by him or any of his agents, although for the last five days it has been in the hands of the public at Fort Garry. But for the private channel of communication referred to, of the existence of which the Company's Officers have not been made aware, I would not have been able to forward this document by the present mail.

I have felt it my duty to mention these circumstances, to enable His Excellency to understand the

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difficulty that meets me in attempting to organize, in connection with the Local Authorities, any resistance to the conspiracy which has already made such head in the Settlement. The confirmed belief of every person I have seen, or whose testimony has reached me (whether in the confidence of the Rebels, or friendly to Canada), is that the Hudson Bay Company's employes, with scarcely an exception, are either actively or tacitly encouraging the Insurrection. It was the prevalence of this belief that determined me to force the Authorities into a public declaration of some kind that would dispel this illusion, if such it should prove to be, or compel them to show their hand as abettors of the Insurrection. The "Appeal" of the loyal inhabitants (see Paper "C") who had previously opened correspondence with me, was the last screw applied, and seems to have accomplished the purpose, notwithstanding the "peculiar circumstances" so strongly insisted upon in the enclosed Letter, to show that the issue of such a Proclamation "might affect injuriously the future as well as the present Government."

I feel bound also to state, with reference to the "serious occurrence" detailed in the 10th and 11th paragraphs of Governor McTavish's Letter, that I have the positive assurance of Major Wallace, who has just returned from Fort Garry, as well as the statements of the "friends of Canada," that the Company's Officers in charge of Fort Garry were told of the intention of the Rebels to take the Fort the day before it occurred, and that Chief Constable Mulligan, who is an old soldier, offered to raise a force partly composed of "pensioners," with which he declared he could hold the Fort against all the Rebels who would be likely to attack it, but he was told by Dr. Cowan, the Officer in charge, that his services were not wanted.

The communication from Winnipeg of the 17th instant (marked "B") is from a well-informed correspondent, who has access to the Council Room of the malcontents, and is in confidential relations with certain Members of the Convention opposed to the aims of the French half-breeds. I thought it prudent to strengthen the hands of the loyal portion of the community by enabling them to deny, on the authority of Colonel Dennis, known to be with me and in my confidence, the story about my Council, which is still industriously circulated in the Settlement. Canadian newspapers are quoted to prove that *all* the Members of the new Government have been chosen from Canada; and Mr. Howe's remarks, while at Fort Garry, are repeated from mouth to mouth, and construed into an approval of their present attitude of "resistance to tyranny," and "defence of their rights." The best way, as it appeared to me, to contradict these false and pernicious reports, was to authorise the statement contained in the "reply" of Colonel Dennis. I have thus far avoided direct communication with unofficial persons; but the extraordinary policy adopted by the Local Authorities, and the difficulty and delay which I have experienced in my attempts to communicate with them, compel me to seek the aid of loyal men wherever I can find them. It will not surprise the Government to hear that I have had to incur considerable expense that was unforeseen when I left Ottawa, and that private persons will not risk their lives and property in the service of a Government unable to assert its existence, either *de jure* or *de facto*, without immediate and adequate remuneration, and a very unequivocal promise of indemnity. I have hitherto exercised great caution on this point; but I can foresee that affairs may soon take such a turn as to render a bolder and more costly policy indispensable for the protection of life and property, as well as for the establishment and maintenance of authority.

Messrs. Richards and Provencher are still in the neighbourhood, and see me daily. As soon as the result of the meeting of so-called "Representatives" is known, we shall take counsel together, and determine upon the course which prudence and duty may then point out,

I have, &c.,

The Honourable Joseph Howe, Secretary of State,
&c. &c. &c.

(Signed)

W. McDougall.

(Copy A.)

Fort Garry, Red River, 9th November, 1869.

MY DEAR SIR,

(Received previously from the H. B. Co., in No. 14037, 1869.)

Yesterday, about 10 A.M., I had the honour to receive your two Letters, dated respectively the 2nd and 4th instant; and, deeming it advisable that in answering these important communications I should be advised by the Council of Assiniboia, I at once called a meeting of that body for to-day, and with their concurrence have now to forward you this Reply.

In the first of your Letters you mention that, in conformity with the suggestion of Colonel Dennis, and the opinion of the Council, you had decided upon remaining a few days at Pembina, in the hope of the withdrawal of the disaffected parties from their positions; and we cannot but think that, in the circumstances, your decision in that respect must be considered wise. But it has not been without feelings, to which we should find it difficult to give adequate expression, that we have heard of your having been disturbed at the Company's Post while you were there waiting the course of events, and of your having been compelled to retire beyond the International Line.

It appears you are under the belief that a Proclamation from this Government, explaining the late Imperial Act regarding the Territory, and warning the people of the consequences of steps tending to impede any action that might be taken under its provisions, would have had a salutary effect in checking the present unlawful movement on the part of the French population. It is difficult, if not impossible, to say with any degree of certainty, how far that measure might have produced such a result; but if due consideration be given to the peculiar circumstances in which the Local Authorities

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here stood, there will, perhaps, appear to be but little ground for surprise at a measure of that kind not having been adopted.

The Act in question referred to the *prospective* transfer of the Territory; but up to this moment we have no official intimation from England, or the Dominion of Canada, of the fact of the transfer, or of its conditions, or of the date at which they were to take practical effect upon the Government of this country. In such a state of matters we think it is evident that any such action on the part of the Red River Authorities as that to which you point would necessarily have been marked by a great degree of vagueness and uncertainty; it was felt that it might affect injuriously the future as well as the present Government, and we therefore deemed it advisable to await the receipt of official intelligence of the actual transfer of the country, and of all the details which it concerned us to know.

But having every reason to believe, from semi-official sources of information, that the transfer of the Territory would soon take place, I have not failed to take every proper opportunity of putting the matter before the public in that light, and although we have not seen the expediency of issuing any such Proclamation as that suggested, yet we have been incessant in our efforts to impress upon the leaders of these disaffected people a just sense of the illegality and danger of the course upon which they had entered, and to dissuade them from the further prosecution of their unlawful purposes. Measures, it is true, of a positively coercive nature, have not been resorted to, for the simple reason that we have had no reliable force to insure their safety and success; and we are strongly impressed with the belief that there is great, if not overwhelming weight in the reasons given in my former Letter for the Authorities hesitating to adopt the perilous step of deliberately calling upon one portion of so peculiar a community as this to confront the other in an attitude of determined hostility.

With regard to that part of your Letter in which you make such express reference to my position as the present legal Ruler of the country, and to my responsibility for the preservation of the public peace, permit me to say it is because I so deeply feel that responsibility that I have hitherto been restrained from sanctioning a course so likely, I may almost say so certain, to engender a strife which, for years to come, might prove fatal to the peace and prosperity of the whole country, and make all government impossible. It is unquestionable that the preservation of the public peace is the paramount duty of every Government; but, while in ordinary circumstances it might be reasonable enough to cast upon us the exclusive responsibility of preserving the public peace, it may, perhaps, at the same time, admit of doubt whether some degree of responsibility did not also rest upon others in a case of so exceptional a character as this—a case in which not merely a whole country is transferred, but also, in a certain sense, a whole people, or where at least the political condition of the people undergoes such a great change; and it may, moreover, be a question whether, on the part of the Dominion, the preliminary arrangements for introducing that change have proceeded upon such a just and accurate appreciation of the condition of the country, and the peculiar feelings and habits of its people, as, on such an occasion, was desirable, if not absolutely essential, and whether the complications by which we are now surrounded may not to a great extent be owing to that circumstance.

But at a time like this, when it is felt that all our energies ought to be directed to the possible removal of the obstacles that oppose the peaceable inauguration of your Government, it would be out of place here to go into the discussion of such points as relate to the responsibility of the concerned in the introduction of the new order of things, and I shall therefore proceed to deal with matters of a more practical, as well as more pressing nature.

What the ultimate object of the malcontents may be, it is difficult to ascertain; but if they are aiming at establishing a Government of their own, as the leaders whom you met on the 2nd instant rather prematurely said they had already done, I doubt very much whether the rest of the Settlement are at all likely to submit to such a domination; but whether they may think it best tacitly to ignore such a usurpation of power, while it consisted merely in a name, or actively resist it, or take part in the movement in the hope of moderating and directing it, will, I apprehend, greatly depend upon circumstances.

It seems by no means improbable that on both sides of the Line there may be persons who are looking with a degree of sympathy upon this movement of the French population: *their* motives it is not difficult to imagine; but it seems to be nothing short of infatuation for the leaders of these disturbances to encourage the idea of annexation to the States; for it is highly improbable that whatever might be the influence of such a change upon other portions of the community, its effect upon the French population generally could hardly fail to prove unfavourable to them.

Excepting in one respect—but that, I am sorry to say, a serious, if not formidable sense—little change, so far as we can learn, has since my last, come over the arrangements or the spirit of these people. The prevention of your entrance into the Settlement was the object they first proposed to themselves, and upon that object they appear to be as fully bent as ever—being still, as I am informed, collected at several points in numerous armed bands, in readiness, as we may presume, to obstruct your approach to the Settlement, should that be attempted; and they are, of course, aware that so long as you remain in the neighbourhood, such an attempt is always possible.

The occurrence to which I have alluded in the preceding paragraph as being serious is this, that on the afternoon of Tuesday, the 2nd instant, a number of these daring people suddenly, and without the least intimation of their intention to make such a move, took possession of the gates of Fort Garry, where they placed themselves inside and outside the gates to the number, in all, of about 120, and where, night and day, they have constantly kept a pretty strong armed guard. On being asked what they meant by such a movement upon the Fort, they said their object was to protect it. Protect it from what? they were asked. Their answer was, From danger. Against what danger? they were asked. To this question they replied that they could not now specify the danger, but that they would do so hereafter, and obstinately took up the position they have since kept, in spite of all our protests and remonstrances at such a bold and high-handed proceeding.

On coming into the Fort they earnestly disclaimed all intention of injuring either person or property within it—and it must be allowed that in that respect they have kept their word; but it is an inconvenience and a danger, next to intolerable, to have a body of armed men, even with professions of peace toward ourselves, forcibly billeted upon an establishment such as this. Their intentions in coming to the Fort they have never definitely expressed, nor have they yet specified the danger from which their presence was meant to protect the place. We are therefore left in some measure to conjectures, and by these we are strongly led to believe that you were expected to come to the Fort, and that by thus having previous possession of the gates, they felt that they would be sure of keeping you out.

It is needless to ask why their presence was submitted to, as I presume you already know enough of the circumstances fully to understand that it was only borne, as being apparently, with respect to immediate results, the less formidable of two very serious evils.

Towards the end of your last Letter you desire my opinion as to whether any useful purpose is likely to be served by your remaining for any length of time at Pembina; and, feeling the importance that may be attached to any expression from me on that point, I have taken care to test my own ideas very closely by the opinion of the Council.

In compliance with your wishes let me say, as the substance of our opinion on this point, that we perceive there is as little chance as ever of these people receding from opposition to your coming into the Settlement; that the attempt might be productive of the most disastrous consequences; and that while you remain at Pembina, the effect, so far as the Settlement is concerned, is likely to be the perpetuation, and possibly even the aggravation, of the state of disturbance and danger. You can, therefore, yourself judge whether any good purpose would be likely to be answered by your remaining at Pembina; and perhaps your own view of the matter will be such as to prepare you for my adding, as I assure you I do, with a feeling of inexpressible regret, that to the Council and myself it appears that your early return to Canada, is not only essential for the peace of the country, but also advisable in the interest of the establishment in the future of the Canadian Government.

It is, no doubt, possible that a little more time may change the minds of the men; and public meetings are notified which may somewhat alter the present state of affairs. Your immediate departure ought not, therefore, perhaps to be at once determined upon. It might be advisable a few days longer to wait the course of events, or at any rate until I can again communicate with you; but at present, I confess, I see but very little reason to expect the occurrence of anything that is likely materially to change the opinions I have expressed with regard to your movements.

I remain, &c.,

(Signed) W. McTAVISH.

The Hon. W. McDougall, C.B.,
Pembina.

(Copy B.)

Winnepeg, Wednesday Evening, 11 P.M.,
17th November, 1869.

Council met at 12 yesterday; English Delegates, all staunch, except the two from the Town of Winnepeg. The English parishes, considering a meeting, such as proposed by the French, illegal, sent representatives with written instructions, and these were to explain, first, that they disapproved of all the acts committed; and, secondly, that they would not join in forming an Independent Government. The French Delegation consisted of their Council of twelve, before formed, and the President and Secretary. Riel caused a salute of a number of field-pieces to be fired; and the meeting took place in the Court House, which was at the time, and since, guarded. Yesterday was consumed in the expression of the views of the English Delegates; and it was expected that to-day the French were to show their hand.

Late in the afternoon of yesterday the MSS. of Governor McTavish's Proclamation was handed in to the Assembly; and much discussion as to the propriety of doing so preceded its reading. The English Delegation, with the exception of the two from the Town, worked well together, and wished to make special use of this document; but its want of general publication and translation into French prevented. An interview with three of the principal English Delegates, just before this writing, informs us that they this morning demanded of the French Delegates *their policy*, but they refused to give it. Riel argued that Hudson Bay Company's Government was a very weak one, and that a better one was necessary. This was met by the counter argument of the consequent necessity of a strong Government, and shown, by reference to the different published papers, that the Canadian one was the only one possible. Riel evidently pointed to a Republic, but would not say so directly. Priest O'Donohue at one time became very much excited, and quoted the wrongs of Ireland, and stated that the British Government was now shaking to its foundation, &c. They affect to despise the Proclamation of Governor McTavish, herewith enclosed. We have no faith in the sincerity of that Proclamation; but believe that the pressure brought to bear upon them here by the loyal party was such that they could no longer resist, and their own conviction of the utter helplessness and impossibility of further resistance compelled them to issue it, as much for their own safety as for the continuance of their authority, if any portion remains. Delegates thanked Governor in writing for the Proclamation. General Court of Assiniboia is to be held to-morrow as usual; and, in consequence, the meeting of Delegates and French put off till Monday, when English insist on knowing the French policy. English Delegates, except those from Town, very determined, and will have meetings of their people in the interim. A report reached here yesterday of 2000 Troops being on the way, and is believed by the French—hence the quietude of to-day in comparison with yesterday. Riel alluded

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(To which the following Reply was sent.)

Pembina, 19th November, 1869.

The information given in yours of Wednesday is very satisfactory. Monday's proceedings will be looked for with much anxiety. The efforts of the Loyalists to maintain order and the authority of the Crown, in a difficult crisis, will not be forgotten or go unrewarded. The Proclamation of Governor McTavish seems judicious, and ought to impress all but the leaders of the conspiracy, who must know the nature of the crime they have committed, and cannot be expected to listen to his admonitions. Labour to detach the ignorant and, so far, the innocent dupes of these men, from their treasonable association. It is thought here that if the majority now deliberating decides for a Republic, or other illegal form of Government, the loyal inhabitants should withdraw from all association and discussion with the Insurgents, and be prepared to rally in support of law and order, and the rights of the British Crown in this part of the Dominion the moment a call is made by competent authority.

Most of the stories told to deceive and excite the half-breeds and others against the Government, which the highest Authority in the Empire has ordered to be established, and will support with all its force, are known to be false by many persons now in the Territory, especially by those who are still its legal rulers. One statement, that seems to be believed by many, and may have tended to abate the loyal zeal of some otherwise well-disposed persons, is, that "*all the Members of the New Council* "are to be sent from Canada." This may be contradicted at once. The only person mentioned in the Governor's Instructions, to whom he is directed to offer seats in his Council, are residents, and have long been residents within the Territory.

Three gentlemen only have come from Canada, with the expectation of appointment in or under the Government; but the Governor's hands are so far untied, except as above stated, in the matter of his Council.

This is not an official announcement, or for use in any public way, but to enable you to correct the false statements which are current, and to assure the loyal and well-disposed.

The Governor remains here for the present.

J. S. D.

(Copy C.)

'THE NOR'-WESTER AND PIONEER.'

EXTRA.

Winnepeg, Wednesday, November 17, 1869.

THE CRISIS! LOYALTY TRIUMPHANT!—THE GOVERNOR'S PROCLAMATION!

On the 12th instant the following Address was presented to Governor McTavish, signed by a large number of most respectable inhabitants, and on the 17th a reply was issued, which will be found below.

Town of Winnepeg, November 12, 1869.

We, the undersigned, residents of the Town of Winnepeg, and loyal subjects of Her Majesty the Queen of Great Britain and Ireland,

Beholding with great alarm the unsettled state of feeling existing in this Territory, and the threatening position assumed by a portion of its French-speaking population towards the Crown, in the person of Her Majesty's Representative, the future Governor of this Territory, and believing, as we do, that this disaffection or dissatisfaction is the result of various slanderous interpretations having been, from time to time, disseminated among the people by persons unknown;

We do, therefore, now demand that you, as the Representative of Her Majesty in this Territory, do proclaim among the people, either by convening a public meeting for that purpose, or posting in conspicuous places throughout the county a full and correct exposition of the nature of the transfer of this Territory to the Dominion of Canada.

We also request that you will explain, so far as lies in your power, the policy likely to be adopted by the Canadian Authorities relative to the governing of the Territory;

Also, that you deny the numerous libellous slanders which are in circulation regarding the purposes for which the Territory was acquired. That you warn them of the danger they are incurring to themselves by persistence in their present violent course, thereby imperilling the future welfare of the

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Country; and that you do entreat them to lay down their arms, and return peaceably to their homes. CANADA.

To William McTavish, Esq.,
&c. &c. &c.
Governor, Hudson's Bay Company, Fort Garry.

Here is the Proclamation drawn from Governor McTavish on the present state of affairs:—

Whereas I, William McTavish, Governor of Assiniboine, have been informed that a meeting is to be held to-day of persons from the different districts of the Settlement, for the ostensible purpose of taking into consideration the present political condition of the Colony, and for suggesting such measures as may appear to be best adapted for meeting the difficulties and dangers connected with the existing state of public affairs; and whereas, I deem it advisable at this juncture to place before that meeting, as well as before the whole body of the people, what it appears necessary for me to declare in the interest of public order, and of the safety and welfare of the Settlement: Therefore,

I notify all whom it concerns, that, during the last few weeks, large bodies of armed men have taken positions on the public highroad to Pembina, and contrary to the remonstrances and protests of the Public Authorities have committed the following unlawful acts:—

1st. They have forcibly obstructed the movements of various persons travelling on the public highway in the peaceable prosecution of their lawful business, and have thus violated that personal liberty which is the undoubted right of all Her Majesty's subjects.

2nd. They have unlawfully seized and detained on the road at La Rivière Salé, in the parish of St. Norbert, goods and merchandise of various descriptions, and of very considerable value, belonging as well to persons coming into the Colony, as to persons already settled here, and carrying on their business in the Settlement, thereby causing great loss and inconvenience, not only to the owners of these goods, but, as has formally been complained of, also to the carriers of the same, and possibly involving the whole Colony in a ruinous responsibility.

3rd. They have unlawfully interfered with the public Mails, both outgoing and incoming, and by their tampering with the established means of communication between the Settlement and the outside world, have shaken the public confidence in the security of the Mails, and given a shock to the trade and commerce of the Colony, of which the mischievous effects cannot now be fully estimated.

4th. Not only without permission, but in the face of repeated remonstrances on the part of the Hudson Bay Company's Officer in immediate charge of Fort Garry, they have, in numbers varying from about 60 to 120, billeted themselves on that establishment, under the plea of protecting it from a danger which, they alleged, was known by themselves to be imminent, but of which they have never yet disclosed the particular nature; they have placed armed guards at the gates of an establishment, of it which every stick and stone is private property, in spite of the most distinct protest against such a disregard of the rights of property; they have taken possession of rooms within the Fort, and although they have there, as yet, committed no direct act of violence to persons or property beyond what has been enumerated, yet, by their presence in such numbers, with arms for no legitimate purpose that can be assigned, they have created a state of excitement and alarm within and around the Fort, which seriously interferes with the regular business of the establishment.

5th. A body of armed men have entered the Hudson Bay Company's Post at Pembina, where certain gentlemen from Canada, with their families, were peaceably living, and under threats of violence, have compelled them to quit the establishment at a season of the year when the rigours of winter were at hand, and forced them to retire within American Territory. And,

In the last place, they have avowed it as their intention, in all these unlawful proceedings, to resist arrangements for the transfer of the Government of this Country, which have been made under the sanction of the Imperial Parliament, and of virtually setting at defiance the Royal Authority, instead of adopting those lawful and constitutional means, which, under the enlightened rule of Her Most Gracious Majesty our Queen, are sufficient for the ultimate attainment of every object that rests upon reason and justice.

The persons who have been engaged in committing these unlawful deeds, have resorted to acts which directly tend to involve themselves in consequences of the gravest nature, and to bring upon the Colony and the country at large the evils of anarchy and the horrors of war.

Therefore, in the interests of law and order, and in behalf of all the securities you have for life and property, and, in a word, for the sake of the present and future welfare of the Settlement and its inhabitants, I again earnestly and emphatically protest against each and all of these unlawful acts. I charge those engaged in them, before they are irretrievably and hopelessly involved, immediately to disperse themselves, and peaceably to depart to their habitations, or to their lawful business, under the pains and penalties of the law; and whatever in other respects may be the conclusions of those who meet to deliberate upon the present critical and distracted state of public affairs, I adjure you, as citizens having the interests of your country and kindred at heart, to ratify and proclaim with all the might of your united voices this Public Notice, and Protest, and so avert from the country a succession of evils, of which those who see the beginning may never see the end.

You are dealing with a crisis, out of which may come incalculable good or immeasurable evil; and with all the weight of my official authority, and all the influence of my individual position, let me finally charge you to adopt only such means as are lawful and constitutional, rational and safe.

Given under my hand and seal, at Fort Garry, this 16th day of November, 1869.

(Signed) WILLIAM MCTAVISH,
Governor of Assiniboine.

N.B.—The *Fifth* paragraph appears to have been added on second thought, as it appears in an official copy which has since been printed.

(Signed) W. McD.

November, 22, 1869.

CANADA.

Department of Secretary of State for the Provinces,
Ottawa, December 7th, 1869.

SIR,

I had the honour to receive this morning your Despatch of the 20th November, covering Enclosures A, B, C.

These Papers have been laid before the Privy Council, and will be forwarded by His Excellency the Governor General to England.

I have, &c.,

(Signed)

JOSEPH HOWE,

Secretary of State for the Provinces.

The Hon. Wm. McDougall, C.B., Pembina.

THE NORTH-WEST.

(Correspondence of the 'Montreal Gazette'.)

Pembina Village, U.S., 15th November, 1869.

Since my last letter, news has been received by private channels from Fort Garry that the Insurgent party has taken possession of Upper Fort Garry with the arms and ammunition, except the shot and shell belonging to the large guns, which happened to be stored at the Lower Fort, and have been removed and secreted by the loyal and English and Scotch half-breeds. Instead of the public meeting which was to have been held this week, the Secretary has issued the following Manifesto or "Call," a copy of which found its way to Governor McDougall:—

[A copy of this, calling a Council, received by telegraph, appeared in 'The Gazette.']

From a letter which reached the Governor last night, I learn that there is some prospect of a more speedy settlement of the difficulty than was anticipated a few days ago. The letter states that the Secretary has become jealous of the President, Mr. Bruce, and desires to get rid of him. The President has the greater number of followers; but the Secretary is more gifted as a stump orator, and is rather too much for Mr. Bruce in debate. It is expected that the parishes settled by the English and Scotch half-breeds will not respond to the "call" for a Representative to be sent to the new Council. There is no question that the English and Scotch half-breed element in the Settlement is loyal, and that the dissatisfaction which prevails amongst the French half-breeds is caused by imaginary fears and exaggerated and groundless statements of designing men. Amongst the latter it is pretty well understood that settlers from the United States, as well as some Yankees from the Boundary Line not far from this village, have done much to foment this Insurrection, and are in continual communication with the leaders, giving them counsel and encouragement. Even the Postmaster at Pembina has stated that he will not deliver in future any letters to Governor McDougall should they come enclosed to his care, as one did, for safety against the *espionage* of the Insurgents. The mails are said to be entirely under the control of the Rebel party, both here and at Fort Garry, and suspected letters are detained and opened.

One Pembina sympathiser with the Rebels refused to deliver a letter addressed under cover to him to Col. Dennis, and said he intended to return it to the writer.

Such is the state of things here at present. Governor McDougall takes things coolly; he writes his Despatches with an "eight-shooter" on his table, and a repeating rifle close at hand. All our party go armed to the teeth, as we don't know what sort of "varmint" we may meet at any moment; I think we will fight our way in as soon as the Queen's Proclamation arrives.

The weather fortunately is very mild; the ground barely covered with snow. The frost has not penetrated the soil on the prairie more than three or four inches. All the working men belonging to the Governor's party, including Col. Dennis, sleep under tents; but expect to have the addition to the house occupied by the Governor finished this week, when they will be able to have shelter inside. Cattle feed on the prairies yet; and the Governor's horses, which were greatly used up by the fourteen days' journey here, are rapidly recruiting on the prairie hay, cut and cured in the proper season.

C. B.

A Special Despatch from St. Paul's, Minnesota, says:—"A letter just received, dated Winnipeg, 16th Nov., says—The Council called by the half-breeds met to-day. The attendance was not large. After a short time, spent mostly in private consultation, it adjourned till Nov. 18. Copies of Governor M'Tavish's Proclamation were issued at Winnipeg on the 16th Nov., in the French and English languages, and were circulated among those present, and produced a marked effect. Business is at a standstill; but little trade is going on, and there is a great scarcity of money among the people, who begin to think seriously on the consequences of the Insurrection." The letter proceeds: "A careful estimate shows only five hundred men engaged in the Insurrection, three hundred of which are armed. They have ceased to interfere with the mails or private business, and the majority of the people await a decisive movement on one side or the other." In answer to an address, signed by a large number of the influential inhabitants, asking him to warn the Insurgents against their present course, Mr. M'Tavish issued a Proclamation, dated Nov. 16th, denouncing the seizure, by the Insurgents, of public and private property, their interference with the mails and

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ravellers, and other acts against the peace of the country, and charges those engaged in the Insurrection, before it be too late, to peaceably disperse under the penalties of the law, and calls upon the citizens to ratify and proclaim this Protest with all their voice and power, in order to avert the threatened danger.

CANADA.

LATEST.

ARMS AND AMMUNITION PLACED IN SECURITY.

St. Paul, Afternoon, December 6th.

A large amount of arms and ammunition belonging to the Canadian Government, stored at Georgetown, *en route* under bond to Fort Garry, was recently removed across the borders to Fort Abercrombie for safe keeping, it being understood a conspiracy was on foot to seize it.

RED RIVER.

A HUDSON BAY VIEW.

'The Globe' publishes a long letter, under the above heading, and dated from Winnipeg, 18th November, from which we make the following extracts:—

For the last two or three years sundry attempts have been made to get up public meetings for the purpose of raising sympathy in favour of Annexation to Canada, as it was called, and at the same time to throw discredit on the Hudson Bay Company's rule. These meetings, as they actually took place here, were miserable failures. The men engaged in getting them up were unauthorised in their attempts, at least, as far as was known in the Settlement. The consequence was, that Annexation to Canada became a bye-word of ridicule. The meetings held were scenes of uproarious merriment instead of sober, orderly gatherings for the public weal. But how were those ebullitions of a few reported abroad? Why, as large and influential meetings held, important resolutions adopted and so forth, intended to lead the public of Canada and the rest of the world to suppose that we were a people tyrannized over, and that we were eagerly seeking for a milder and more generous Government to step in and free us from our thralldom. Now this was all erroneous. Whatever may have been the faults of the Hudson Bay Company's rule, they were light ones, and although I admit there was a feeling in the minds of the Settlers that the Hudson Bay Company were not powerful enough to enforce the laws when required, yet there never was to my knowledge a general feeling of discontent towards them or their actions in the government of the Settlement. On the contrary, we felt ourselves a free people in every respect. We had privileges that in other countries were not enjoyed by the people. Our Government was by a Council appointed from amongst ourselves. It is true, we had no direct vote in their election, but the Hudson Bay Company invariably consulted the opinions of a neighbourhood before choosing a Councilman from that part. We, therefore, to a certain degree, had a voice in our own Government, and were content therewith. Our laws, as administered, savoured more of arbitration than law, and in that respect suited our requirements better than if a pack of lawyers had been amongst us, urging us, with all the 'quibbles' best known to them, to eat each other up in useless suits. While speaking of law, I may add here, that in the history of the past few years of this Settlement, it was found that one jail has twice been broken open and prisoners liberated. The first, a clergyman, condemned by twelve of his fellow settlers for a crime unmentionable here; the second, a prisoner for resisting the officers of the law. And liberated by whom? By a small party who, in justice to the law-abiding people of this Settlement, be it said, have not to this day recovered from the stigma the act of jail-breaking has cast on their characters. And who were those engaged in the above acts? Principally Canadians—who have railed most against the existing laws of our Settlement, and tried to set them at defiance. Can you wonder, then, that for a time Canadians were generally looked upon with suspicion in this quarter? Be it known now, however, that, although for a time the feeling was—Can anything good come out of Canada? since the advent of better men from your country—since truer specimens of what Canadians generally are, have visited this Settlement, the reaction is altogether in their favour, and the feeling now is that it is not fair to judge the whole flock from there being one or two black sheep in it. We have many good men here from Canada, and I would be sorry to cast a slur on them. Those for whom my remarks are intended need not take offence at their truthfulness, and those to whom they do not refer need not apply them to themselves.

We now come to another epoch in the tide of events that did much towards causing the present troubles. Our Settlement was suddenly devastated, by means of a plague, in the shape of the grasshoppers. It is needless here to give the already oft repeated tale of how our crops were utterly destroyed; how the buffalo disappeared; the fish failed; in fact, how utterly we were besieged by famine. England came to our aid; the United States assisted us; private contributions from Canada flowed in upon us; and the Hudson Bay Company did more than all the others put

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together. At this time, the Government in Ottawa, no doubt for praiseworthy reasons, sent in a party to commence the road to the Lake of the Woods; the idea being to pay for their labour in provisions to those from amongst the Settlers who were willing to work. The Ontario Legislature voted 5000 dollars towards the relief of the Settlement, but John Sandfield McDonald could not see it in the same light, for we never received the amount, and Ontario is that much richer to-day. It will be well, however, to allow the appropriation to stand good, as it is likely to be required next year to assist in feeding those emigrants from Canada who may be hardy enough to settle in Red River next summer; there being every reason to look forward to the grasshopper calamity then, and there is not more than enough in the country to feed the people already here for one year without crops. The two parties sent in charge of this end of the Government Road may have acted wisely, but not too well. They employed a certain number of men from amongst the Settlers; and when flour was selling at three pounds sterling per barrel in the stores, they charged the poor men, their employes, three pounds twelve shillings, and four pounds sterling per barrel, and, at the same time, only paid them three pounds per month in that ratio for their work—this created dissatisfaction. The next thing, which caused still more discontent amongst the people, was a concerted plan of a few, in which the Government Officials in charge of the road were implicated, to buy up from Indians (who had no right to sell) parcels of land, on part of which people were actually living, in and around Oak Point, the headquarters of the Government works. This raised such a feeling of indignation against the parties concerned, that the head men in charge of the road summarily received notice from the neighbours around to quit the premises forthwith; and, afterwards, one of the principal actors in the affair (a Government Official) was fined by one petty court ten pounds sterling for giving liquor to those same Indians. These and similar actions on the part of the Government employes, whilst making them unpopular, seriously injured the cause of Canada in the minds of the people here; and matters were not afterwards improved by the doings and writings of the poet, Mr. Charles Mair, who, after having received the hospitalities of many families in the Settlement, saw fit to ridicule in public print those who had entertained him—to speak and write disparagingly of the Settlers as a body, and the ladies in particular. These, you may say, are minor matters, but I only point them out to show the gradual feeling those actions of a few individuals caused of dislike to the Government, who would send such men as samples of their employes. On the top of all these unfortunate occurrences, in comes Colonel Dennis, with his party of surveyors, to divide and subdivide the land into sections as they saw fit. This, at all events, was premature on the part of the rulers at Ottawa, before any arrangements had been made with the people here regarding the incoming Government. And although Colonel Dennis acted in a gentlemanly and proper manner in the discharge of his troublesome duties, still the people looked on the act of his party going to work before the establishment of the new order of rule, as arbitrary and presumptuous. I can believe, however, that if the minds of the Settlers had not been prejudiced beforehand by the previous acts of Government Officials, there would have been no interruption offered to the Colonel and his party in their surveying operations; for everywhere Colonel Dennis was received favourably by the majority of the Settlement, although he, too, unfortunately fell into the same trap as his predecessors, and (if I may use the expression) was “gobbled up” by the men who all along have been the principal cause of trouble in the Settlement. As if everything was fated to be to the disadvantage of Canadian interests, a clique of men, unpopular through their own deeds in this Settlement, have all along taken up the cudgels (it may be unasked) for Canadian Annexation. These men have professed themselves as authority on all subjects concerning the new Government, and have invariably endeavoured to throw discredit on the Hudson Bay Company abroad and at home. Now the fact is, the Hudson Bay Company have been misrepresented. It is not, nor has, for the past twenty years, been unpopular to the majority of the Settlement. Indeed, it has been the best friend to the Settlers, many of whom have reason to feel grateful to our grandmother, as the Company has been called by those desirous of being facetious on the subject. The Canadian Government, too, will do well to not throw aside the advice and assistance the Hudson Bay Company will surely have in its power to give; that is, if it wishes to become popular as a Government with the present inhabitants of Red River. Let the public of Canada beware of report touching the injuries of the Hudson Bay Company to the people here, for such is not the general feeling in the Settlement. I assure you, though I am sorry to say it, the *prestige* of the men who have figured so far in connection with the Canadian Government here, has tended to make it dreadfully unpopular with the majority of the Settlement.

While feeling was rife we had a visit from the Hon. Joseph Howe; and on his arrival the first act of the clique already mentioned was to invite him to become a guest in the house of one of them, who had made himself singularly conspicuous in Canadian affairs here. The old politician, however, was not to be caught with such chaff, and declined the invitation. Fatigued by his hard trip over the plains, Mr. Howe kept a good deal in his quarters at the hotel. He, however, made a couple of trips up and down the Red and Assiniboine Rivers seeing enough to satisfy himself, I am sure, what the Country was like. Had he come earlier in the season he would have seen the Settlement to much better advantage than he did, as everything while he was here looked bleak and miserable, preparatory to the change from autumn to winter. Many of the principal Settlers visited the Hon. gentleman, and the universal opinion formed of him was, that he was a fine old gentleman, one who could see and act for himself. A great deal of satisfaction was felt throughout the Settlement at Mr. Howe's visit, although it was understood that he merely visited us in the capacity of a private individual irrespective of his public character. This will go to show how much good might have been done had delegates been sent to prepare the way for Mr. McDougall's coming. Although Mr. Howe never favoured us with a speech, or in any other way made a public demonstration, and although he would receive nothing of the latter from our hands, I am of the opinion that he left the Settlement with a pretty correct idea of the people and the situation of affairs as they then stood. I may say, indeed, that he did much in his short visit here to counteract the evil influence that was abroad; but I am sorry to say the seeds of discontent had been too deeply sown to be rooted up so easily, and after his departure the crisis came.

Some idea can be formed of the earnestness of the French people when you learn that many of them have, at the moment I am writing, been out on guard eighteen days; sleeping at night on the snow, with no tent or other covering except their ordinary clothes—and this without the least prospect of pay. The food they eat is the only thing they get, and that is furnished them by the more wealthy of their own people. A meeting is called for the 16th inst., at which delegates from all parts of the Settlement are to meet to discuss the present state of affairs, and the best method of providing for the future. Freight cars were watched for guns, which it is reported the Canadian Government are trying to run into the Settlement.

And now for the future. Who can tell what that may be? It rests altogether on the policy of the Canadian Government, in the adjustment of the present difficulties. It will be useless to split the Settlement on the point of representation. Would it be wise, as we are situated, to endeavour to raise one side of the Settlement against the other? God knows where such a course would end. Extinction on one side or the other would follow; the Indians, heretofore tractable, would be roused, their worst passions inflamed, rapine and massacre would be the result; and, for all this, who would be answerable but the Canadian Government? It will be the same if it is attempted to coerce the Settlement by force. Such an action would be unwise and uncalled for, and the result would be that, instead of a profitable acquisition to the Dominion in this Country, you would have an expensive and unsatisfactory Government to support here for the next five or ten years at least. I would advise, if so humble a person as myself may be permitted to do so, that proper Delegates be sent to this country to find out the exact views of the people. That could be done during the present winter. In the mean-time, let Mr. McDougall return to Canada, to await the decision of the House at Ottawa on the Report furnished by these Delegates. Give the people here their just rights, and no more faithful adherents to the cause of Canada will be found in the Dominion than these same Settlers of ours. Take a new start in the spring in a proper direction, and all will be well; but, for the sake of the fearful consequences that will ensue—a rising of the people generally, united with the Indian troubles throughout the whole North-West—let your actions be those of peace. At present, we are in the greatest uncertainty as to the result of the present difficulties. As long as McDougall remains at Pembina, the Country will be in a state of excitement, especially as he has not vouchsafed to send any message as yet to the people as to what his intentions are. If blood be shed in this cause, may God help those who have been the cause of it! I will write you with further particulars as they develop themselves.

PROCLAMATION.

V. R.

By His Excellency the Right Honourable SIR JOHN YOUNG, Baronet, a Member of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of The Most Honourable Order of the Bath, Knight Grand Cross of The Most Distinguished Order of St. Michael and St. George, Governor General of Canada.

To all and every the Loyal Subjects of Her Majesty the Queen, and to all to whom these Presents shall come

GREETING:

THE QUEEN has charged me, as Her Representative, to inform you that certain misguided persons in Her Settlements on the Red River, have banded themselves together to oppose by force the entry into Her North-Western Territories of the Officer selected to administer, in her name, the Government, when the Territories are united to the Dominion of Canada, under the authority of the late Act of the Parliament of the United Kingdom; and that those parties have also forcibly, and with violence, prevented others of Her loyal Subjects from ingress into the Country.

Her Majesty feels assured that She may rely upon the loyalty of Her Subjects in the North-West, and believes those men who have thus illegally joined together, have done so from some misrepresentation.

The Queen is convinced that in sanctioning the Union of the North-West Territories with Canada, She is promoting the best interests of the residents, and at the same time strengthening and consolidating Her North American Possessions as part of the British Empire. You may judge then of her sorrow and displeasure with which the Queen views the unreasonable and lawless proceedings which have occurred.

Her Majesty commands me to state to you, that She will always be ready through me as Her Representative, to redress all well founded grievances, and that She has instructed me to hear and consider any complaints that may be made, or desires that may be expressed to me as Governor-General. At the same time She has charged me to exercise all the powers and authority with which She has intrusted me in the support of order, and the suppression of unlawful disturbances.

By Her Majesty's authority I do therefore assure you, that on the Union with Canada all your civil and religious rights and privileges will be respected, your properties secured to you, and that your Country will be governed, as in the past, under British laws, and in the spirit of British justice.

I do, further, under Her authority, entrust and command those of you who are still assembled and banded together, in defiance of law, peaceably to disperse and return to your homes, under the penalties of the law in case of disobedience.

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And I do lastly inform you, that in case of your immediate and peaceable obedience and dispersion, I shall order that no legal proceedings be taken against any parties implicated in these unfortunate breaches of the law.



Given under my Hand and Seal at Arms at Ottawa, this Sixth day of December, in the year of Our Lord One Thousand Eight Hundred and Sixty-nine, and in the Thirty-second year of Her Majesty's Reign.

By Command,

JOHN YOUNG.

H. L. LANGEVIN, Secretary of State.

No. 10.

No. 10.

COPY of a DESPATCH from Governor The Rt. Hon. SIR J. YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 148.)

Government House, Ottawa, Canada,
11th December, 1869.

(Received 27th December, 1869.)

(Answered, No. 7, 8th January, 1870, page 173.)

MY LORD,

I have the honour to transmit a Copy of the Instructions which I have given, on the part of the Government of the Dominion, to Mr. Smith, one of the chief Officers of the Hudson's Bay Company, who is proceeding to Fort Garry, to assist Governor McTavish, or, in case of that gentleman being incapacitated, to take up the discharge of his duties.

I have, &c.,

(Signed)

JOHN YOUNG.

P.S.—Since the above was written, the other Papers have reached me. They contain all our Advices to the most recent date.

The Earl Granville, K.G.,
&c. &c. &c.

Enclosure 1
in No. 10

Enclosure 1 in No. 10.

The SECRETARY of STATE for the PROVINCES to the GOVERNOR GENERAL'S SECRETARY.

(No. 1074.)

SIR,

Ottawa, 11th December, 1869.

I have the honour to transmit to you, herewith, for the information of His Excellency the Governor-General, a Copy of a Despatch, with two Enclosures, from the Honourable Wm. McDougall, C.B., giving an account of the transactions which have occurred in the North-West Territories since the date of his last Despatch.

I also enclose Copies of three Letters addressed to Mr. McDougall, and of a Letter addressed to Mr. Donald A. Smith, a Special Commissioner appointed to enquire into, and report upon, the causes and extent of the obstructions offered to the ingress of Mr. McDougall into those Territories.

I have, &c.,

Governor General's Secretary.

(Signed) JOSEPH HOWE.

COPY of a REPORT of a COMMITTEE of the Honourable the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL in Council, on the 11th December, 1869.

The Committee of Council, on the recommendation of the Honourable the Minister of Finance, and for the reasons given in his Memorandum of the 11th December inst., advise that the Minute in Council of the 7th instant., having reference to the policy to be adopted in Rupert's Land, in the event of that Territory being added to the Dominion, be cancelled.

The Minister of Finance submits that, in his opinion, it is inexpedient to make any material changes in the Customs duties in Rupert's Land until the means of access to the Territory shall have been greatly improved.

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He therefore suggests that the present Tariff should remain in force for, at least, two years from the 1st of January next.

That, if the above suggestion be concurred in, he would further recommend that an announcement of the intention of the Government be made to the people resident in the Territory, who may possibly feel some alarm on the subject of increased duties.

The Committee concur in the foregoing recommendation, and submit the same for your Excellency's approval.

Certified,
(Signed) Wm. H. LEE, C.P.C.

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Enclosure 2 in No. 10.

Enclosure 2
in No. 10.

The Honourable Wm. McDougall to the SECRETARY of STATE for the PROVINCES.

SIR, Pembina, United States, 25th November, 1869.

I have the honour to forward a Confidential Report by Major J. Wallace, of Whitby, Ontario, who was sent from this place on the 4th of November on a Special Mission to Fort Garry, and who returned on the 22nd inst. He is the person mentioned in my Report of the 5th inst., as being in the confidence of some of the conspirators here, so far as to obtain a "Pass" from them. Major Wallace was employed by Colonel Dennis in his surveying operations last summer; he is a shrewd Scotchman, has been many years a resident of Canada, and, though a little hot-tempered, may be regarded as a trustworthy reporter of what he saw and heard.

I received, through an employé of the Hudson Bay Company sent by Governor McTavish, information that the Rebels had resolved to send an expedition of horsemen to Georgetown, to burn the Hudson Bay Storehouse there, in order to destroy the arms and ammunition which I had stored at that place. This was to be done *at once*, if the result of the "Convention" was in favour of the Insurrection. As there was no time to lose, I took immediate steps to have them removed to Fort Abercrombie, some forty miles distant. I wrote a note to General Hunt (Copy A), requesting him to allow them to be stored in the Fort, which I have no doubt he will readily comply with. I caused it to be rumoured, or rather to be stated, as a fact by our party, in their conversation with the conspirators at Pembina, that the arms, &c. had been removed to Fort Abercrombie. This will be reported at Head-quarters, and will probably put a stop to the "raid." But, in any event, the arms, &c., will be at Fort Abercrombie before the raiders can overtake them.

I have received a private Note from Governor McTavish, informing me of his having issued a Proclamation, more, he observes, in deference to my opinion, than from any expectation of a favourable result; and, at the same time, he expresses his satisfaction that I have remained here. He enclosed to me Letters he had received for me from Sir Curtis Lampson and the Secretary of the Hudson Bay Company, and expressed his desire to be of service. I infer that he has received instructions from the Company, and notice of the date of Transfer. I am still without any official notice of the Imperial Order in Council, and must act, if at all, upon the information contained in the private letters from Sir Curtis Lampson, which announces the date of Transfer agreed to by the Imperial Government to be 1st December next.

There is a rumour among the Rebel sympathizers here this afternoon, that the French half-breeds have demanded the "Public Money" from the Treasurer at Fort Garry, and that he had refused, and was thereupon made prisoner—that English and Scotch half-breeds and the Canadians were arming, and that a *row* was expected. The "Convention," the same rumour informs us, has been adjourned for some days. I expected a private message from the Settlement of the result of Monday's and Tuesday's deliberations, in time for this post, but it has not yet reached me.

The Honourable J. Howe,
Secretary of State for the Provinces,
&c. &c. &c.

I have, &c.,
(Signed) Wm. McDougall.

(Copy A.)

To General HUNT, or the Officer Commanding at Fort Abercrombie.

SIR, Pembina, United States, 22nd November, 1869.

I have the honour to inform you that certain French half-breeds, of the Red River Settlement, have assembled with arms, and in sufficient force to overawe, for the time, the Authorities at Fort Garry. They have also erected a barricade to prevent me from proceeding to that place to assume the Government on the transfer of authority from the Hudson Bay Company to the Dominion of Canada. A small band of their men met me at the Hudson Bay Company's Post, near Pembina, and ordered me to return beyond the Boundary Line; as I had no Force to resist them, I was obliged to obey the order, and am now at Pembina, in American Territory.

I have just had information from Fort Garry that these outlaws have decided to send a party of men to Georgetown, in Minnesota, for the purpose of burning the Hudson Bay Company's Store-house at

CANADA. — that place. The avowed object of this "raid" is to destroy certain property of the Government of Canada, now stored there, consisting of arms and ammunition, and also clothing and goods belonging to me and to members of my party.

I have the honour to request that you will take such means as may be in your power to prevent this unlawful destruction of property.

I have directed the removal of the arms and other property to Fort Abercrombie, in the hope that you will allow storage in the Fort until this *émeute* is suppressed.

Any expense which may be incurred in the removal, protection, or storage of this property I shall be ready to make good as soon as I am advised of the amount.

General Hunt.

I have, &c.,
(Signed) Wm. McDougall.

NOTES, by J. W., between 4th and 22nd November, 1869.

I left Fort Pembina for Fort Garry on 4th November, 1869, with a Despatch for Governor McTavish. I was furnished with a letter of "safe conduct" from an American gentleman of this place. Arriving at the Barricade, at Rivière Salé, I was conducted by armed men to the Catholic Church, which I understood to be Headquarters of the Insurgents. In an upper room I found President Bruce, Secretary Louis Riel, Mr. O'Loan, Mr. McKinney, junr., and five half-breeds, whom I did not know. On presenting my "pass" to Riel, he read it in French to Father Ritchot, and said, "It is all right;" but that, although sorry to trouble me, must request me to shew any documents I might have in my possession. None were in view. Several questions were then asked, and promptly answered, as to the position and designs of Governor McDougall and his party. I then passed to Fort Garry, where I found means to have the Despatch placed in the hands of Governor McTavish. On the strength of it, the Council of Assiniboine was called for Tuesday the 8th. Mr. Bannatyne is a Member of that Council, and was present at that Meeting. He told me that when Mr. McDougall's Letter was read McTavish (although sick) raged furiously, and asked what Mr. McDougall meant; that, up to that moment, no official information had reached them of any change having been made in the ownership of Rupert's Land, and that he would let Mr. McDougall know that no such dictation as that indicated by the Letter would, for a moment, be tolerated.

Mr. Mulligan, a Pensioner, and a Police Constable in Winnipeg, told me that he had warned the Hudson Bay Company, on several occasions, that the half-breeds were to rise. This he did, through Judge Black and Dr. Cowan, and suggested that the Pensioners be called out to guard the Fort, but that they declined doing anything in the matter. Mulligan also informed me, that on the 8th inst., after the Fort had been in possession of the Insurgents for several days, that he heard from one of the rebels, whom he could rely upon, that the Arsenal was to be broken open, and the arms taken possession of in a day or two, and informed Dr. Cowan, who replied, "What can we do?" Mulligan answered, "Call out the Pensioners, and others willing to join them, and let them take possession of the Fort." The Judge, who was present, said, "A Council will be called, and an answer given to you at 3 o'clock to-morrow." Next day Mulligan was told that his services were not required, and that evening the arms were taken possession of.

I had several conversations with Mr. McKinney, senior. At first he was somewhat shy—stated that as yet he had nothing to do with the Insurgents, but that he might have; that the United States was the natural outlet for the Settlement, and the people wanted nothing else, as he believed; and that they would never submit to the injustice about to be forced upon them by the Canadian Government in appointing a Council from Canada, &c., virtually ignoring the people of Red River; that if Governor McDougall had come alone, he would have got in and would have been heard; and, if his views did not suit, they would have told him to go. Again, on another occasion, he corroborated what Bannatyne said about the want of official notice, &c.; that the people would not submit to taxes, that they wanted control over their own affairs, and that he approved of the course the half-breeds had taken in keeping the Governor out; and that they had about 700 men under arms. Our other conversations were something similar, until I went in on the Saturday morning before I left, and had about an hour with him. He was reading the Imperial Act ceding the North-West Territory. He opened out frankly, and stated that a blank he saw in the Act meant neither more nor less than that, after a certain time, Canadians could fill it up as they wished; that he was a Delegate for Fort Garry, but that very little would be done by the Convention, unless to draw the two parties closer together; that he would like to see the Country at peace, so that trade might go on as usual, but that he had no hopes so long as the Governor and suite remained at Pembina. What the people now wanted, he said, was complete control over their own affairs; and that, as soon as the Delegates had closed their work, he believed orders would be given to have the census of the people taken—elections to be held, and a Parliament established that the Canadian Government must respect. Why, he asked, should we be any worse dealt with than British Columbia, Newfoundland, or Prince Edward Island? Mr. Howe, he said, told us plainly that we were entitled to the same rights, and that by perseverance we would get them. He further remarked that, "if we fail in our efforts to arrange with Canada, another element would be called in, and the men at the head of this movement just know how to get them—and that is, the Fenians."

I conversed with Hugh Donaldson, of Fort Garry, who was very violent, and stated, with an oath, that a Canadian Government should never rule the Settlement, and threw out hints what they could do in the spring. Mr. O'Loan, Mr. George Evelyn, hotel keeper, and several others, expressed views similar to Mr. McKinney. I talked with many others on that side (I mean of the French half-breeds), and they nearly all spoke to the same purport. A great part of the foregoing was drawn out by questions carefully put by myself.

Mr. * * says the English and Scotch half-breeds are with the Canadian Government, but does not think they would take up arms until they have an army to fall back upon, and some security from the Government that they would be paid for the destruction of their property by fire or otherwise; that he has the promise of 300 stout Indians at any time they are required, but the people generally do not think well of letting the Indians loose until other means have been exhausted.

Mr. Taylor, a wealthy merchant, 12 miles up Assiniboine River presented me with the 'Globe' newspaper, and said, that paper condemns what you say. I must confess that paper has done infinite harm to Canadian interests in the Settlement.

Colonel Robinson is in favour of Government (Canadian), but more so, I think, in favour of the United States. He is an American.

* * * * whose brother * * goes fully with Insurgents, is greatly attached to Canadian Government, and has very great influence amongst Indians, would be a most useful man in any treaty with them. He has put * * from the house he lived in. He said he was a half-breed, and gloried in the name and race, and would never give up the rights he had in the lands. He wanted to see the Governor, and hear what he had to say. He was sure the Canadian Government would never take their rights away.

Mr. William Tait was thought to be favourable to Canada, but from what he said in Hudson's Bay Company's Office to myself and Mr. Grant, we were of opinion that he was changing, as a great many are in danger of doing, who visit the Company's Office, and hear the sentiments and suggestions of John McTavish and Mr. Hargrave. Mr. Tait said—"You may talk; but in that Convention we sit opposite to those who have been born and brought up among us, eat with us, slept with us, hunted with us, traded with us, and are of our own flesh and blood. Gentlemen," said he, "I, for one, cannot fight them. I will not imbue my hands in their blood."

James Ross, another delegate, charged me with speaking against the Governor. He is believed by most people to be staunch in favour of Canadians. He thinks some arrangement may yet be come to by Convention, by which the Governor can be safely brought in. His views do not coincide with a great majority of Council.

Mr. Lowman, another delegate, thinks the present Convention will appease the French half-breeds somewhat. "We have met them," he says, "treated them kindly, and, by continuing to do so, may win them over; but it will take time."

Mr. * * * * thinks no good will come out of the Convention; that nothing but troops, and that immediately, will be of any use; and that if the Canadian Government will send troops by middle of January the English and Scotch will, no doubt, organize. "If troops are not sent, I, for one," he said, "will at any time sign a Memorial to the United States Government, asking their permission to annex ourselves to them." Mr. Boyd is of opinion, that the Indians (Chippewa) will act with the Canadians, but that some steps should be taken at once to have a treaty with them. Trade, he says, is gone, and everything unsatisfactory under the present state of things.

Mr. * * * * a wealthy half-breed, and strongly opposed to the priests, says that soldiers should be sent in immediately to save the Country; that the English and Scotch half-breeds cannot stand this reign of terror much longer, but from want of a leader they are very unwilling to take any steps against their opponents, the French half-breeds; and that 500 or 1000 now would bring the Governor in, and, when once into the Settlement, our people, he says, would rally round him; but, until the Proclamation was issued, there would be nothing done. He had no faith in the working of conventions, as long as McKinney, O'Loan, Riel, and the priests Ritchot and O'Donohue were amongst them, and so long as Bannatyne gave them encouragement as he now does. The latter has more influence amongst the French half-breeds than any one, or perhaps any dozen men in Fort Garry.

Dr. Schultz says he does not approve of speaking anything of troops coming in until all the Canadians have notice, so that they can leave the Settlement. He thinks also that the Convention may result in sending delegates to see the Governor at Pembina—is clearly of opinion that, had proper measures been taken by the Hudson's Bay Company on the first sign of the outbreak, of which they had due notice, no insurrectionary movement would have taken place. He says the Chippewa and Sioux Indians are with the Government, and willing to assist in suppressing the Revolt at any time—that if the people there knew they were to be protected by the Canadian Government, there would be no want of leaders amongst the English and Scotch half-breeds; but he thinks, on the first sign of troops coming in, the Canadians will be all murdered.

Mr. Snow coincides in every particular with Dr. Schultz, was very active and willing to assist me in carrying out the few little matters I had to attend to at Fort Garry—could not have got on well without him.

* * * * says, if Governor would give him authority, he would organize the English and Scotch half-breeds at once—that they could take the Fort any day, and hold it too—is not afraid of the report of troops being sent—would rather like to hear of it—is very much afraid of delay, as he is satisfied a number of Fenians are being raised to come in to the Settlement in the spring—could not give me any reliable authority, but insisted it was a fact.

* * * * wanted to see troops in at once, and the whole thing would be crushed—the French were a noisy, brawling crowd, and would not stand fire—that 1000 men would be a sufficient number to settle the dispute, and, in after times, keep back hostile Indians, if any should turn up; but that too much delay would or might cause a deal of bloodshed, and probably the loss of the whole country.

Mr. Bannatyne is a gentleman with whom, with the exception of Mr. McKinney, I have had more conversation than with any other in the Settlement. He is clearly in favour of the measures taken by the French half-breeds, although he told me one day "that he would rather have paid £50 than have that rising taken place!" On every occasion he had some excuse for the half-breeds, and a word of sympathy at times for Governor McDougall and his family, but that the

CANADA.

sooner he left Pembina the better it would be for himself and the Settlement; and he hoped I would advise Colonel Dennis to leave, which I promised to do. I insisted on him going down with me to see the Governor, and take Riel, or McKinney or O'Loan, with him; but he would not consent. By the bye, Mr. McKinney told me that no delegates would be sent from the Convention to the Governor, for a particular reason that he was not at liberty to tell me at present. I could give many other conversations with other parties, but they were all of the same substance; and now, as you desire, I will give you my own opinion of the whole as concisely as possible.

The movement from the first has been of a Republican, Fenian kind. I am fully convinced that no offer that could consistently be made by the Canadian Government would be accepted by the French half-breeds and their friends, the Americans; and that, unless they are forced into it by this Convention, and the threatening of the English half-breeds and whites, or perhaps troops, they will not accept a Governor from the Dominion on any terms.

sic in orig.

Further, I believe the English and Scotch will take no steps to bring the Governor into the Settlement, but that, if once there, they will protect him. This has been expressed to me by many of them. I endeavoured on every occasion to parties, when I could do so with safety, that the present Government or Council was only a provisional one—that, as soon as a franchise was decided upon, a responsible Government would be formed as understood in Canada, that I understood the Governor had it in his power to appoint five of the Council at Red River. Bannatyne and others enquired "how this was not known before?" The former said, "I would give anything rather than that this fine country should fall into the hands of Americans." I further think, from conversing with the friends and foes of the Hudson's Bay Company, that they could in the most easy manner have stopped the whole affair by issuing their Proclamation—calling upon all to obey the laws, that any rising of the kind spoken of would be visited by the severest penalty the law could inflict, and that the whole available civil force would be called out to sustain law and order. They did not do this, nor issue any Proclamation, until in a manner forced into it by the Memorial of the inhabitants of Fort Garry who were loyal. On this Company's head lies a full measure of blame.

The Indians, from what I can learn from * * * * and others, are with the Canadian Government; but there is no trusting to them without a treaty. At present I think some of them are endeavouring to get subsidies from both parties. "Chief Henry Prince," I know has been taking from both.

In conclusion, I would say, if this Convention does not do something towards a settlement in a few days, the cheapest and the safest course, and the one likely to prevent the destruction of life and property, is for the Canadian Government to send a sufficient force at once to take the Governor in, by "*at once*," I mean, to have them at Pembina by the middle or end of January, for there is great danger of Fenian hordes early in the spring.

To the Honourable William McDougall, C.B., Pembina.

22nd October, 1869.

Then follows letter from the Under Secretary of State for the Provinces, the Hon. William McDougall, C.B., dated Office of the Secretary of State for the Provinces, 28th Sept., 1869, which will be found printed as Enclosure to Governor's despatch No. 132 of 17th Nov. 1869, page 2.

Enclosure 3
in No. 10.

Enclosure 3 in No. 10.

From the SECRETARY of STATE for the PROVINCES to the Hon. WILLIAM McDOUGALL.

SIR,

Ottawa, 10th December, 1869.

This will be handed to you by Donald A. Smith, Esq., who goes to Pembina, on his way to Fort Garry, at the special request of this Government.

I have the honour to enclose a copy of a Letter of Instructions which has been addressed to Mr. Smith, and have it in command to desire that you will consult and co-operate with that gentleman, in order that, if possible, some peaceful solution may be found of the difficulties which obstruct your entrance to the new Territory.

The Hon. William McDougall, C.B.,
Pembina.

I have &c.,
(Signed) JOSEPH HOWE.

Enclosure 4
in No. 10.

Enclosure 4 in No. 10.

From the SECRETARY of STATE for the PROVINCES to the Hon. WILLIAM McDOUGALL.
(No. 1069.)

SIR,

Ottawa, 10th December, 1869.

I am commanded to call your attention to the exposed situation in which the arms, purchased for Government Service at the Red River, have been placed,—Georgetown, where it is understood here

RED RIVER SETTLEMENT.

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they are stored, could so easily be surrounded and forced by any roving band of half-breeds or Indians, or by persons quite as unscrupulous coming in from the United States, that they can hardly be considered secure.

If matters are not to remain for any length of time on their present footing, they would perhaps be safe at St. Cloud or St. Paul.

The Hon. William McDougall, C.B.,
Pembina.

I have, &c.,
(Signed) JOSEPH HOWE.

CANADA.

Enclosure 5 in No. 10.

Enclosure 5
in No. 10.

From the SECRETARY of STATE for the PROVINCES to the Hon. WILLIAM McDUGALL.

(No. 1073.)

SIR,

Department of Secretary of State for the Provinces,
Ottawa, 11th December, 1869.

I notice in the reports of certain persons, made to you, and forwarded to this Office, reference to expressions said to have been used by me in conversations with inhabitants of the Hudson's Bay Territory; and I think it proper that you should be authorized to contradict all such statements, so far as the inference can be drawn from them, that anything said by me, at Winnipeg, or anywhere else, gave countenance or sanction to breaches of law and order, or to resistance to the peaceful establishment of the Authority of the Dominion in the Territory, under the sanction of Imperial Legislation.

During my visit to the Red River, I never saw Riel, Bruce, Father Ritchot, or any persons said to be the leaders of the insurrectionary movement, but I conversed freely with all classes and orders of the people, from Governor McTavish downwards, and to them all held the same language: That the same Constitution as the other Provinces possessed would ultimately be conferred upon the Country, that in the provisional arrangements to be made the feelings and interests of the resident population would be considered, that leading men enjoying their confidence would be at once taken into the Government, and that the young men, without distinction of blood, would be drawn into the public service, as they were fitted by education, to fill places of trust and emolument.

The Hon William McDougall, C.B.,
Pembina.

I have, &c.,
(Signed) JOSEPH HOWE.

Enclosure 6 in No. 10.

Enclosure 6
in No. 10.

From the SECRETARY of STATE for the PROVINCES to D. A. SMITH, Esq.

(No. 1043.)

SIR,

Department of Secretary of State for the Provinces,
Ottawa, 10th December, 1869.

I have the honour to inform you that His Excellency the Governor-General has been pleased to appoint you Special Commissioner, to enquire into, and report upon the causes and extent of the armed obstruction offered at the Red River, in the North-West Territories, to the peaceable ingress of the Honourable William McDougall, the gentleman selected to be Lieutenant-Governor of that Country, on its union with Canada.

Also to enquire into and report upon the causes of the discontent and dissatisfaction at the proposed change that now exists there.

Also to explain to the inhabitants the principles on which the Government of Canada intends to govern the country, and to remove any misapprehensions which may exist on the subject.

And also to take such steps, in concert with Mr. McDougall and Governor McTavish, as may seem most proper for effecting the peaceable transfer of the Country and the Government from the Hudson's Bay Authorities to the Government of the Dominion. You will consider this communication as your letter of appointment as Government Commissioner.

With this Letter you will receive a copy of the Letter of Instructions given to Mr. McDougall on his leaving Ottawa, dated 28th September last.

Copy of a further Letter of Instructions to Mr. McDougall, dated the 7th instant.

Copy of the Proclamation issued by His Excellency the Governor-General, addressed to the inhabitants of the North-West Territories, by the express desire of Her Majesty.

These will enable you to speak authoritatively on the subject of your Mission.

You will proceed with all despatch to Pembina, and arrange with Mr. McDougall as to your future course of action, and then go on to Fort Garry and take such steps as, after such consultation, may seem most expedient. You will, of course, consult Governor McTavish, and endeavour to arrange one system of concerted action in the pacification of the Country, by Mr. McDougall, the Hudson's Bay Authorities, and yourself.

As the information received by the Government here is necessarily imperfect, and as the circumstances at the Red River are continually changing, it is not considered expedient to hamper you with more specific instructions. You will therefore act according to the best of your judgment, in concert with Mr. McDougall, and you will keep me fully informed by every mail of the progress of events.

CANADA. In addition to the more immediate object of your Mission, you are requested to report on the best mode of dealing with the Indian Tribes in the Country, and generally to make such suggestions as may occur to you as to the requirements of the Country for the future.

Donald A. Smith, Esq.,
&c. &c. &c.,
Montreal.

I have, &c.,
(Signed)

JOSEPH HOWE,
Secretary.

No. 11. No. 11.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(No. 156.) Government House, Ottawa, December 17th, 1869.

MY LORD,

I have the honour to state that I lost no time in directing the attention of the Privy Council of the Dominion to your Lordship's Despatch, No. 214,* of the 30th ultimo, recapitulating the series of negotiations about the Transfer of the North-West Territory, and describing the present state of the question.

I have just received in time for post, and transmit herewith, the Minute which, after full consideration, the Council has decided upon submitting in answer, for your Lordship's consideration.

(Received 30th December, 1869.)
(Answered, No. 7, 8th January, 1870, page 173.)

I have, &c.,
(Signed)

JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c.

* Page 170.
16th Dec.,
1869.

Enclosure in
No. 11.

Enclosure in No. 11.

Copy of a Report of a Committee of the Honourable the Privy Council dated 16th December, 1869.

The Committee of Council have had before them the Despatch of the Right Hon. the Secretary of State for the Colonies, of the 30th ultimo, on the subject of the two Telegrams sent by your Excellency, on the 23rd and 27th ultimo, to the Colonial Office, on the subject of the disturbances in the Red River Settlement.

The Committee readily acknowledge the correctness of the narrative, in the Despatch, of the proceedings which resulted in the final arrangements for the transfer of the North-Western Territory to Canada.

The circumstances which created the desire of the Government and people of Canada to acquire that country have been so often and so recently stated, that they do not seem to require reiteration. It was alike the interest of Her Majesty's Government, Canada, and the Hudson's Bay Company, that the transfer should be made. Canada still desires to acquire the Territory, and is quite ready to perform all the obligations that she has incurred under the recent arrangements made with Her Majesty's Government and the Company, for the completion of the transfer.

At the same time, it would seem clear that, if Canada is bound to accept the transfer of the Territory, the Company is equally bound to make it. It surely was never contemplated by any of the parties engaged in the negotiations that the transfer was to be a mere interchange of instruments. It must, from the nature of things, have been understood by all parties that the surrender by the Company to the Queen, and the transfer by Her Majesty to the Dominion, was not to be one of Title only. The Company was to convey not only their Rights under the Charter, but the Territory itself, of which it was in possession, and the Territory so conveyed was to be transferred by Her Majesty to Canada.

That there would be an armed resistance by the inhabitants to the transfer was, it is to be presumed, unexpected by all parties; it certainly was so by the Canadian Government.

In this regard, the Company cannot be acquitted of all blame. They had an old and fully organized Government in the country, to which the people appeared to render ready obedience. Their Governor was advised by a Council, in which some of the leading residents had seats. They had every means of information as to the state of feeling existing in the country. They knew, or ought to have known, the light in which the proposed negotiations were viewed by the people under their rule. If they were aware of the feeling of discontent, they ought frankly to have stated it to the Imperial and Canadian Governments. If they were ignorant of the discontent, the responsibility of such wilful blindness on the part of their Officers must rest upon them.

For more than a year these negotiations have been actively proceeded with, and it was the duty of the Company to have prepared the people under its rule for the change; to have explained the precautions taken to protect the interests of the inhabitants; and to have removed any misapprehensions that may have existed among them.

It appears that no steps of any kind, in that direction, were taken. The people have been led to suppose that they have been sold to Canada, with an utter disregard of their rights and position.

When Governor McTavish visited Canada in June last, he was in communication with the Canadian Government, and he never intimated that he had even a suspicion of discontent existing; nor did he make any suggestions as to the best mode of effecting the proposed change, with the assent of the inhabitants.

Lord Granville states that, "Throughout these negotiations it has never been hinted that the Company is to be bound to hand over its territory in a state of tranquillity. Rather its inability to secure that tranquillity, and the dangers resulting from that inability to the neighbouring Colony, is taken for granted as a reason why its responsibilities should be adopted by Canada."

Now the obvious reason why no express stipulation to that effect was made, was, that it was assumed by all parties that the Company had both the right and the power to hand over the Territory. It was in a state of tranquillity, and no suggestion was made of the possibility of such tranquillity being disturbed. Canada did not allege, nor did the Company admit, any inability on the part of the latter to secure the tranquillity of the country, in its present condition.

It is true that Canada had pointed out that in the future, with the population of the United States rapidly pressing forward towards the boundaries of the North-West Territory, such pressure would soon overflow into British Territory, and that the Company would, in such case, be unable to govern or control the large and alien population which might then take possession of the fertile country along the frontier.

But this state of things has not yet arisen, and the resistance comes not from any strangers, or new comers, but from those born and brought up under the Government of the Company, and who have hitherto yielded it a willing allegiance.

These statements are not made as a matter of complaint against the Company, but simply as a justification of the course taken by the Canadian Government which is observed upon in the Despatch. That course has been governed solely by a desire to carry out the transfer under the arrangement in the quietest and best manner possible and in a way that will not leave behind it any cause for discontent or disquiet in the future.

The resistance of these misguided people is evidently not against the sovereignty of Her Majesty or the government of the Hudson's Bay Company, but to the assumption of the Government by Canada. They profess themselves satisfied to remain as they are, and that if the present system of Government were allowed to continue, they would at once disperse to their homes.

It is obvious, then, that the wisest course to pursue is, for the present, to continue the authority of the Company, which the Insurgents affect to respect, while steps are being taken to remove the misapprehensions which exist and to reconcile the people to the change.

Any hasty attempt by the Canadian Government to force their rule upon the Insurgents would probably result in armed resistance and bloodshed. Every other course should be tried before resort is had to force. If life were once lost in an encounter between a Canadian force and the inhabitants, the seeds of hostility to Canada and Canadian rule would be sown, and might create an ineradicable hatred to the union of the Countries, and thus mar the future prosperity of British America.

If anything like hostilities should commence, the temptation to the wild Indian tribes and to the restless adventurers who abound in the United States (many of them with military experience gained in the late Civil War) to join the Insurgents, would be almost irresistible. Already it is said that the Fenian organization look upon this rising as another means of exhibiting their hatred to England.

No one can foresee the end of the complications that might thus be occasioned, not only as between Canada and the North-West, but between the United States and England.

From a sincere conviction of the gravity of the situation, and not from any desire to repudiate or postpone the performance of any of their engagements, the Canadian Government have urged a temporary delay of the transfer.

This is not a question of money; it may be one of peace or war. It is one in which the present and future prosperity of the British Possessions in North America is involved, which prosperity hasty action might permanently prejudice. Even were the £300,000 paid over, the impolicy of putting an end to the only constituted Authority existing in the country and compelling Canada to assert her title by force would remain.

It is better to have the semblance of a Government in the country than none at all. While the issue of the Proclamation would put an end to the Government of the Hudson's Bay Company, it would not substitute the Government by Canada, therefore such a Government is physically impossible until the armed resistance is ended; and thus a state of anarchy and confusion would ensue, and a legal status might be given to any Government *de facto* formed by the inhabitants for the protection of their lives and property.

On a review of the whole circumstances, the Committee would recommend that your Excellency should urge upon Her Majesty's Government the expediency of allowing matters to remain as they are until quiet is restored, or, in case of failure of all effort to do so, the time shall have arrived when it is possible to enter the country in force and compel obedience to Her Majesty's Proclamation and Authority.

As by the terms of the late Act, the surrender to the Queen must be followed, within a month, by Her Majesty's Order in Council admitting Rupert's Land into the Dominion of Canada, the proper course seems to be that the surrender itself should be postponed, and that the purchase-money should remain on deposit meanwhile.

The Committee would also request your Excellency to assure Lord Granville that the Government here have taken, and are taking, active measures to bring about a happier state of affairs. They have sent on a mission of peace, to the French half-breeds now in arms, the Very Reverend Mr. Thibault, Vicar General (who has laboured as a clergyman among them for 39 years), accompanied by Colonel de Salabery, a gentleman well acquainted with the country and with the manners and feelings of the inhabitants.

CANADA.

These gentlemen are fully informed of the beneficent intentions of the Canadian Government, and can disabuse the minds of the people of the misrepresentations made by designing foreigners.

They have also sent Mr. Donald A. Smith, the Chief Agent of the Hudson's Bay Company at Montreal, as a Special Commissioner. From his position as an Officer of the Company he is likely to obtain ready access to Fort Garry, where he can strengthen the hands of Governor McTavish, now weakened by long illness, and arrange with the loyal and well-affected portion of the people for a restoration of order.

It is confidently hoped that the measures taken will succeed; but, in the event of failure, the Government are making preparations, by the construction of boats and otherwise, for sending a Military Force in the early spring. In these efforts the Canadian Government are glad to believe that they will have the hearty co-operation of Her Majesty's Government and the Hudson's Bay Company.

(Signed) JOHN A. MACDONALD.

No. 12.

No. 12.

Copy of a DESPATCH from Governor The Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to the Right Hon. Earl GRANVILLE, K.G.

(No. 164.)

Government House, Ottawa, Canada,
23rd December, 1869.

MY LORD,

(Received 5th January, 1870.)

(Answered, No. 7, 8th January, 1870, p. 173.)

13th Dec.,
1869.
18th Dec.,
1869.

I have the honour to enclose copies of the Letters and Reports by telegram from the Red River, containing the information received from the 25th November to the present date.

I am happy to state that the latest information is more hopeful in the interests of peace than portions of the enclosed Correspondence might lead one to expect.

The Stone Fort, at which the loyal English and Scotch half-breeds have rallied, is seventeen or twenty miles from Fort Garry, of which the French half-breeds hold possession, so the two parties are at a considerable distance from each other.

It is denied that Mr. McDougall has invoked the assistance of the Indians, and Colonel Dennis has not had more than fifty of them with him engaged to assist in the defence of the Stone Fort.

The most authentic accounts are that the Indians generally are disposed to stand true to their allegiance to the Queen, and not to aid the French half-breeds; and, lastly, we are in possession of the fact that the first Despatches of the Canadian Government reached Mr. McDougall on the 7th or 8th instant, and these Despatches deprecated, in earnest terms, the resort to force, and inculcated the policy of not asserting even legal rights by arms until further negotiation had been tried, and all hopes of effecting a peaceful arrangement disappointed.

Under these instructions it seems very unlikely that any collision can take place, and if none take place before the envoys Le Grand Vicaire Thibault, Colonel de Salaberry, and Mr. Smith arrive, as they are expected to do on the 24th or 25th instant, an opening will be given for negotiating, which, seeing how small the difference is between what the half-breeds ask and what the Canadian Government is prepared to grant, can scarcely fail to terminate the difficulty in a peaceful and satisfactory manner.

The Earl Granville, K.G.

I have, &c.,

(Signed)

JOHN YOUNG.

Enclosures in
No. 12.

Enclosures in No. 12.

THE SECRETARY OF STATE FOR THE PROVINCES TO THE GOVERNOR-GENERAL'S SECRETARY.

Secretary of State's Department, Ottawa,
16th December, 1869.

SIR,

I have the honour to transmit to you herewith, for the information of his Excellency the Governor-General, copy of a Despatch, with three Enclosures from the Hon. William McDougall, C.B., giving an account of the occurrences which have taken place in the North-West Territories since the date of his Despatch of the 25th ult.

Pembina, 29th
Nov., 1869.

Francis Turville, Esq., Secretary to the
Governor-General.

I have, &c.,

JOSEPH HOWE.

Larose's Farm, Pembina, U.S.,
29th November, 1869.

SIR,

I have the honour to report that I am still at Pembina, in the territory of the United States (Messrs. Richards, Provencher and Begg being with me), and unable, in consequence of the continued occupation of the road by armed men, to proceed to Fort Garry.

I have further to report that I have not received any instructions for my guidance on and after the day of the Transfer of the Territory to Canada, nor any notice of the Order in Council, which has no doubt been passed to effect it.

In these circumstances, I am compelled to act upon the general powers and directions of my Commission, and of the Acts of Parliament, Canadian and Imperial, which seem to bear upon the case.

I have accordingly prepared a Proclamation to be issued on the first day of December, reciting so much of the several Acts of Parliament as seemed necessary to disclose the requisite authority, and stating, by way of recital, the fact of surrender by the Hudson's Bay Company, acceptance by Her Majesty, and Transfer to Canada, from and after the 1st December, A.D. 1869. These facts I gather from the newspapers, from a private letter to me of the Deputy Governor of the Company, and my own knowledge before I left Ottawa, that the 1st of December had been agreed upon as the date of the Transfers.

In the present state of affairs in the Settlement, it is of the utmost importance to announce the transfer of Authority in the most authentic and solemn manner possible, in order to give confidence and the protection of legality to the acts of the loyal and well-disposed, and to put the malcontents and their American advisers and sympathizers publically and technically in the wrong. Several messages have been sent, urging me to assume authority and to authorize action *at once* against the French half-breeds; but, as my previous Reports will show, I decided to keep strictly within my Commission, and referred those persons to the Local Authorities for advice and direction. On the 24th inst., however, Riel and his party took possession, without resistance, of the Public Offices in the Fort, seized the Public Records and Papers, and made prisoners of the Treasurer and Officers in charge of the Public Funds. I have not heard whether they have removed Governor McTavish from his official residence, but he is evidently *hors de combat* personally and officially. I have had no communication from him since the 19th inst., directly or indirectly, although in his last note he promised to communicate further immediately. As I have found no serious difficulty in sending and receiving from the Settlement communications of a private character, I infer that the Rebels have imprisoned the Governor so closely that nothing is allowed to reach him or proceed from him, of which they disapprove.

On the evening of the same day, Riel made a demonstration of the Government provisions under the charge of Mr. Snow, pretending that he only wanted to make an inventory of them. Some Canadians employed on the Survey being in the neighbourhood, and indignant at this move of the Rebels, as well as apprehensive that the possession of these provisions by them would greatly strengthen their position, determined to remove them, by force if necessary, to the Lower Fort of the Hudson's Bay Company; but, on consideration, they felt that to bring on a collision at that moment, and on such a question, might be impolitic, and as the Local Authorities could not, or would not act, they despatched Mr. Newcombe, a young Canadian, to me the same night with the letter marked "A." He got safely through, having run about half the way on foot, making the whole distance of 67 miles in 20 hours. He was ready to return on foot or on horseback after an hour's rest, if I had deemed it necessary. His energy, courage and zeal, and his account of the feelings of the loyal portion of the inhabitants, inspired us all with the hope that a reaction had set in, and that as soon as the incubus of a moribund and inactive Government was removed, a call might safely be made upon the loyal and well-disposed to rally in defence of law and order. But, in view of the peculiar relations existing between the French half-breeds and the rest of the native population, I thought it very undesirable to allow a "fight" to take place about Government property, until some collision had occurred which would excite the feelings of the English and Scotch half-breeds and exasperate them against the Insurgents. The interruption to business, reducing thereby the price of grain, and enhancing the price of merchandise; the arrest of men like Hallett, of local influence and extensive family connection; the taking of provisions without pay from the Settlers, and occupying their houses without their consent, and the chance of a *fray* springing out of some of these circumstance, seemed to justify delay in organizing opposition to Riel's designs upon the Government pork and flour, which if seized by him, would not strike the half-breed Settlers as a very heinous offence, or one which they ought to risk their lives to prevent or punish. Moreover, the Hudson's Bay Company's Officers were still the nominal rulers of the Settlement, and as their Sheriff (McKinny) was notoriously in the interests of the Rebels—advising, aiding, and abetting them—it appeared to me better that none of my agents or avowed supporters should provoke or be parties to a collision before the 1st December, and run the risk of finding the Sheriff and other Authorities on the side of the Rebels, or, what would amount to the same thing, issuing warrants against Canadians.

Accordingly I detained Mr. Newcombe for future service, and despatched by a loyal French half-breed the answer marked "B," and by the same hand the letter "C," to Governor McTavish. My plan was to hold the Authorities to their duties and responsibilities as long as possible, and to delay, without wholly prohibiting, the resistance of the employés and friends of the new Government. How far this plan has succeeded I am not yet aware, but I suspect that Riel will have seized the provisions before my directions reached Fort Garry, or, at all events, before the action recommended by me has been taken. I do not regard the possession of the Government stores by Riel and his party as of very much consequence. They cannot eat them up at once, and if the measures I have taken to organize an armed force to seize Riel and his colleagues, and disperse the rank and file of his followers should prove successful, the provisions will soon be again in our possession.

CANADA.

The last two mails brought me only newspapers and two or three small private letters. I am much afraid that *official* letters are detained at some point between St. Paul and this place purposely, and perhaps read and destroyed. As the Postmaster here openly avows his sympathy with the half-breeds, and permits one Stuttsman, referred to in a former report, to distribute and handle the postal matter in his office, I have no great faith that my letters to Ottawa have been forwarded, if at all, without being first read. I shall therefore abstain from all details as to the operations contemplated after the 1st December. Their discovery and publication here would be sure to defeat them.

I have received a friendly letter from the Indian Chief "Pegwis," who lives at Winnipeg, in which he strongly condemns the conduct of the French half-breeds. He reminds me that they came from my own country, and are "very bad men." He wishes to see me to shake hands and bargain about his land. He has offered his services to the Canadians in the Settlement to put down Riel and his party, evidently foreseeing that if they got the mastery the Indian title to the land in Assiniboine will not be treated with much respect or realise much profit.

I have returned a verbal answer to his letter, expressing the most friendly feelings towards him and his people, and my desire to see them at Fort Garry as soon as possible. I thought it better to put nothing in writing, and indeed to say nothing that should be construed into an invitation to the Indians to arm or attack any class of the inhabitants—not even those now under arms and in a state of insurrection. It is very satisfactory to find that the Indians in all directions, and under different chiefs, are well disposed and unwilling to give any aid to the French half-breeds. I have taken pains, through the agency of loyal persons having influence with them, to arouse the apprehensions of the Indians in reference to the annexation features of the half-breed movement, and its effect upon them and their land claims. They have been quick to perceive that the outbreak bodes no good to them, and they cannot therefore be seduced into any kind of sympathy with it. This *fact* is already producing a marked effect upon the plans and operations of the Insurgents.

A letter appeared in a newspaper published at Yankton, Dakota, purporting to have been written and delivered to me by two Indian Chiefs, making peremptory demands for a settlement with them before entering the Territory. This letter was concocted by American schemers at Pembina, and read to the Indians who were waiting to see me. At first they consented to it, but the next day went to the village, asked to see it, and tore it up. The veracious correspondent of the Yankton newspaper allowed it, nevertheless, to appear as a *bonâ fide* communication to me.

In the same newspaper is a communication, under date 23rd September, detailing the plans, grievances, and demands, of the half-breeds with such particularity as to show that the plot has its chief counsellor, if not its originator, in this village. One of these conspirators, the man Stuttsman, lately visited Fort Garry, and is known to be consulting and aiding the insurgents at that place.

As far as I can learn, the priests have withdrawn latterly from active co-operation, and begin to shake their heads and speak doubtfully of the consequences likely to result from the outbreak.

Until I have received more specific instructions for my guidance after assuming the government, and learn the view which His Excellency and Council are likely to take of the events detailed in my Reports, I do not feel myself in a position to make any special recommendation as to the measures which ought to be adopted by the Government of Canada. I have taken, and must continue to take, a large discretion and responsibility in regard to measures which must be initiated and executed within the Territory. I have hesitated to call for troops or volunteers from Canada in mid-winter. The difficulties in the way are enormous, and the chance of disaster, with the present means of transportation, is almost reduced to a certainty. But preparation should undoubtedly be made for a large emigration in the early spring of such Settlers as were offered last fall by Colonel Barivis, of the township of Halifax, and by another gentleman in the county of Bruce. Settlers of this class will be a valuable, almost a necessary, addition to the population of the Territory, and any expense which their transportation hither may involve ought to be readily furnished.

The Hon. Joseph Howe, Secretary of State, &c.,
Ottawa, Canada.

I have, &c.,
(Signed)

WM. McDougall.

To Hon. JOHN A. McDONALD.

Toronto, 15th December, 1869.

St. Paul Minn., 15th.—Private letter just received from Pembina gives the following information:—The Rebels have placed Governor McTavish under close guard, on account of his recent Proclamation advising them to lay down their arms and submit to the Government. In meantime they continue to issue rations with a regularity which is making serious inroads upon the Hudson Bay goods at Fort Garry and outposts. Captain Campbell, of Governor McDougall's party, attempted to go into Fort Garry, but was confronted at the gate by a sentinel, who, with the assistance of a sergeant, forced him back upon American soil, and, upon pain of being shot, was forbidden to re-enter the lines.

(Signed) H. P. DWIGHT.

(A.)

DEAR COLONEL,

Winnepeg, Wednesday, 24th November, 1869.

We require definite instructions how to act under the following circumstances:—To-day (about 4 P.M.) we got information that the Government stores in Dr. Schultz were being seized. Captain

Bolton, Mr. Codd, and self, proceeded immediately to ascertain the truth of the matter. We found Riel and an armed guard coming out of the back store with Dr. Schultz. I went up and asked what particular business was going on? The Doctor said, "Mr. Riel is taking an *inventory* of the stores." I replied, looking at Riel, "They are the *Queen's property*." He turned about and stamped, exclaiming angrily, "*The devil's property!*" moving away at the same time. On inquiring about the matter, the Doctor told us that his carts had been stopped at the fort, and he went down to see about them. Saw Riel, who said that "it was merely a matter of form;" but he wished to know, "if the duties had been paid, and there were no arms in the cases." The Doctor answered, "No, there were no arms." Riel, however, accompanied the Doctor to his store for the purpose of examining them. On entering the store Riel said, "Are all these your goods?" The Doctor replied, "No, Government property." Riel then said, "By-the-bye, that reminds me. I may as well take an inventory of them in case any parties should remove any portion, and it would be laid to us." In the mean time an armed guard of four men had come up (as Dr. Schultz says, "A sly mode of getting access to the store"). Riel put two of them in charge, and went off, intending to return. While he was away the Doctor *hired the guard for 6d. a-piece*, to assist in carrying the cases into the house. They left their arms in the store, and accordingly went to work for the Doctor. While they were so employed, the Doctor sent *Smith*, who removed the arms and locked up the store. Riel returned some couple of hours afterwards, and found his guard "shouldering cases." He demanded entrance to the store, after soundly rating his men. The Doctor refused, and told them they would have to use force; *this he repeated*. Finally the key was obtained by them from Smith. The Doctor then put his back to the door and refused entrance, unless Riel promised upon his honour not to remove anything, which Riel did. The Doctor further says that at this moment (that is, after they had entered the store) *Hallett* showed his nose round the corner, when Riel all at once came to the conclusion that it was rather late to take the inventory, and left an armed guard at the door. It was at this time, while they were coming out of the Doctor's store, that we arrived on the scene.

Now, there are Canadians here willing to protect the property of Canada, and remove the stores to the Stone Fort for safe keeping. We propose the following plan:—We (the Canadians) to proceed in a party of twenty or thirty, with hired sleighs to be procured in the Scotch Settlement, and go to Schultz's store about noon, and remove them (the stores) down to the Stone Fort, and leave * * * (armed of course) in charge. If we meet opposition we will defend the stores, and remove them against all comers. This will have the effect, perhaps, of precipitating matters. On the other hand, if *they remove* the provisions, which no doubt is their intention, you will at once see that they will have gained a very important advantage over the loyal inhabitants by the possession of these stores. *Hallett* says that he *individually* will stand by us and assist: *We await the advice and instructions of the Governor to act.* This will also give us an excuse to occupy the Stone Fort, where a large amount of ammunition is stored.

Yours, &c.,

(Signed)

D. A. GRANT.

P.S. It is understood that if we act in this matter, we act upon our own responsibility—not wishing to compromise authority—we only desire to have *advice*.

Copy "B.")

MY DEAR SIR,

Pembina, 25th November, 1869.

I trust this will reach you safely and in good time. The Governor has determined to retain the bearer of your letter for reasons which will be apparent soon. I should have been with you again long before now but that the Governor required me to remain here for a purpose of which you will soon also be aware. With regard to the provisions and public property which you say are in danger of being seized by a band of lawless men and removed from the custody of those who have been entrusted with them, I am instructed to convey Mr. McDougall's orders as follows:—

1st. Apply to the local authorities for a sufficient police or other force to prevent it.

2nd. If this is refused, or if no such force can be had, apply to Governor McTavish, or the officer in charge of the Stone Fort, for permission to store the property there for safe keeping, and ask him to give you authority to guard and defend it by the voluntary aid of the law-abiding inhabitants.

3rd. If this permission to store in the fort is granted, remove the provisions, &c., there, and hire a sufficient number of persons to remove and defend it against all illegal attempts at appropriation.

4th. But in the event of a seizure, or attempt at seizure, by a considerable force of armed men either before or during the removal above suggested and authorised, you are advised not to risk a collision which may cause bloodshed unless the Local Authorities shall have sanctioned the organisation of an armed force for the purpose of protecting the property.

Mr. McDougall has written to Governor McTavish on the subject, and asked his interference on your written demand.

Believe me, &c.,

(Signed)

J. S. DENNIS.

D. A. Grant, Esq., Fort Garry.

CANADA.

(Copy "C.")

MY DEAR SIR,

Pembina, November 5th, 1869.

The agents of the Dominion Government in charge of the provisions and other public property of that Government now at Winnipeg, have represented to me that an armed party of lawless persons have attempted to seize and appropriate it. They have asked for instructions from me, and have suggested that this property be removed under escort, if necessary, to the Stone Fort for safe keeping.

I have instructed Colonel Dennis to communicate the following as my directions (see Letter to Mr. Grant, 1st, 2nd, 3rd, 4th.)

May I request that you will give Mr. Grant and Mr. Snow, and any other persons who may have in lawful custody any of this property, such assistance as you can command to protect it from molestation by the lawless persons referred to. If in your judgment the proposal to remove it to the Stone Fort, and to protect it there in the way proposed by the persons who will reply to you, is feasible, and under the circumstances advisable, I should feel obliged if you will give them the desired authority.

I leave the matter for the present entirely in your hands.

W. McTavish, Esq., Governor Hudson's Bay Company.

I have, &c.,

(Signed)

WM. McDOUGALL.

From the GOVERNOR-GENERAL to Mr. SMITH.

MY DEAR Mr. SMITH,

Ottawa, 12th December, 1869.

I learn with satisfaction that you have placed your services at the disposal of the Canadian Government, and that you are proceeding to the Red River to give, not to them only but to both the parties that are at variance, the benefit of your experience, influence, and mediation.

In my capacity as Her Majesty's Representative in Her North American Possessions, I have addressed letters to Governor McTavish, the Protestant Bishop, and the Vicar General, who acts in lieu of the R. C. Bishop during his absence in Rome.

I have sent them copies of the message received by telegraph from Her Majesty's Secretary of State, which forms the staple of the Proclamation I have addressed to Her Majesty's faithful subjects in the North-West.

You will observe that it calls upon all who have complaints to make, or wishes to express, to address themselves to me as Her Majesty's Representative, and you may state with the utmost confidence that the Imperial Government has no intention of acting otherwise, or in permitting others to act otherwise, than in perfect good faith towards the inhabitants of the Red River district and of the North-West.

The people may rely that respect and attention will be extended to the different religious persuasions, that title to every description of property will be carefully guarded, and that all the franchises which have subsisted, or which the people may prove themselves qualified to exercise, shall be duly continued or liberally conferred.

In declaring the desire and determination of Her Majesty's Cabinet, you may safely use the terms of the ancient formula, that right shall be done in all cases.

Wishing you a prosperous journey and all success in your mission of peace and goodwill,

I remain, &c.,

(Signed)

JOHN YOUNG.

- Smith, Esq.,
&c. &c.

TELEGRAM

From J. A. WHEELOCK to Hon. JOSEPH HOWE, Secretary of State, Ottawa.

Dated, St. Paul, Minn., 17th December, 1869.

I have just received news that Colonel Dennis, Surveyor-General, has succeeded in raising and arming some two hundred swampy Indians, and a number of their Englished half-breed relations, that they have garrisoned the Stone Fort; that McDougall has organized another force of the hostile Sioux of Portage la Prairie, under the lead of Canadians, and that as soon as these forces form a junction they will march on the Insurgent force at and near Fort Garry. General Riel has called in his reserve of French half-breeds, who were temporarily absent. Over three hundred men reported at Headquarters within a few hours from issuing the call, and a collision was hourly expected at the date of my advices.

(Signed)

J. A. WHEELOCK.

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(No. 1108.) From the Hon. JOSEPH HOWE, Secretary of State, for the Provinces, to
F. TURVILLE, Esq., Governor's Secretary, Ottawa.

SIR, Ottawa, 18th December, 1869.
I have the honour to enclose, for the information of His Excellency the Governor-General, copy of a Despatch, dated 2nd December, from Hon. William McDougall, C.B., with Enclosures (2), also copies of Telegrams received to-day referring to the state of affairs in the North-West Territories, and also copy of a Despatch addressed to Mr. McDougall on the 17th instant.

I have, &c.,
JOSEPH HOWE.

From the Hon. JOSEPH HOWE, Secretary of State for the Provinces, to
The Hon. WILLIAM McDOUGALL, C.B.

SIR, Department of Secretary of State for the Provinces,
Ottawa, 17th December, 1869.

Your Despatch of the 29th November, reached this Office on the 15th instant, and created some apprehensions that you were about to issue a Proclamation announcing the formal transfer of the Territory, which has not yet taken place, and to organize or countenance movements, which, however well intended, would have been without the sanction of law. The receipt of the Papers A, B, C, which did not come to hand till the following day, relieved this anxiety; and I have now to convey to you the satisfaction with which the numbered paragraphs in the Paper marked "B" were read by the Governor-General and Council.

The Despatches sent to you on the 19th and 29th November, and 7th, 8th, 10th, and 11th of December, will, before this reaches you, have explained the views taken by this Government of the situation of affairs in the North-West, and the nature of the Correspondence with the Imperial Government which has not yet closed. No notice has yet been received here of the issue of the Queen's Proclamation annexing the Territory to Canada, or of the payment of the purchase money. By this day's Mail an elaborate Minute of Council goes to England.

You will, until further advised, abstain from all movements in excess of your authority, and do nothing by which the Governor and Officers of the Hudson's Bay Company may be relieved of the responsibility which now rests upon them.

Should any Telegraphic notice of the issue of the Queen's Proclamation reach you, I am commanded to desire that you will refrain from any action thereupon, until you receive a copy of the Proclamation through this Office.

Hon. Wm. McDougall, C.B., Pembina.

I have, &c.,
(Signed) JOSEPH HOWE.

SIR, La Rose's Farm, Pembina, U.S., December 2nd, 1869.

By the last mail, under date 29th November, I reported that I was still at this place, and that I had neither received official instructions for my guidance after assuming the Government of the North-West Territories, nor any notice of the passing of the Order of Her Majesty in Council for the Transfer of the North-West Territory to the Dominion. I also detailed at some length the events which had occurred since my previous Report, and indicated some of the measures I had prepared, and proposed to adopt on and after the 1st December. I also enclosed, in a separate Letter, Copies of Correspondence respecting the Government Stores at Fort Garry, and the steps I recommended to be taken for their protection. I hope these letters have reached Ottawa safely, and, assuming they have, I proceed to detail, briefly, what has since occurred.

Fearing, from information I received, that my messenger with copies of the Proclamation announcing the 1st of December as the date of transfer of authority from the Hudson's Bay Company to the Dominion had been intercepted, I entrusted additional copies in English and French to Colonel Dennis, who, with a trusty guide, started on the night of the 29th ultimo (the coldest we have yet experienced) for Fort Garry. I also commissioned him to act as my "Lieutenant," and as a "Conservator of the Peace," in raising the loyal inhabitants in defence of law and order. I gave him large powers, and, as he is fully aware of my views and plans, and the nature of the authority under which he is to act, and is, moreover, acquainted with the leading men of the Settlement, stands well in their estimation, and knows the country, I have every confidence that he will execute his orders with promptitude, discretion, and success. I do not deem it prudent to forward by this mail a copy of my commission to him, as there is some danger that it might go in a wrong direction.

It will be seen from the Paper "A" herewith, that the English and Scotch Settlers and half-breeds have at last discovered that they must choose between Riel and his American allies and advisers, and the authority of Her Majesty and the Canadian Government. Meetings have been held, with more or less secrecy, in all the parishes, except those exclusively French, and a "Committee of Public Safety" organized. The movement has been much aided by the Canadians connected with the Road and Survey, the only persons of intelligence and apparent authority to whom the poor but well-disposed Settlers could look for advice. Mr. James Koss, a Scotch half-breed recently from Canada, and mentioned in a previous Report as apparently in the confidence of the malcontents, has been exceedingly

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active in refuting the false stories that certain influential traders and other *traitors* have been busy in circulating. Captain Bolton, who was present at the meeting of the representatives of three parishes when the enclosed letter to me was agreed upon, has also shown zeal and discretion, as well as courage, in his efforts to arouse the loyal people of the Settlement. Colonel Dennis was charged with my answer to these people in the shape of a Commission, which on and after the 1st December he could make known to them. The Proclamation itself, so anxiously looked for by the friends of Canada, will, I trust, settle all doubts in the minds of the well-disposed, and dispel the false, preposterous, but nevertheless dangerous rumours sent out from day to day by the conspirators. One point of considerable importance in the minds of the English and Scotch Settlers, hinted at in the enclosed Paper, but more explicitly stated in other messages which have reached me—is the view which will be taken by Government of the claims of loyalists serving against the Rebels, for any losses to person and property which may result. I have not ventured to make a very specific answer to this question, as any *rule* on the subject would be liable to abuse; but I have told Colonel Dennis to assure those who agree to serve under his order that the Government will treat them in the same way, and with the same liberality as in Canada, or in other parts of the Empire. I have, moreover, authorized him to allow the same rates of pay, &c., as are allowed under the Canada Militia Act, to Volunteers called out in aid of the Civil power.

Yesterday evening, after finding that the road was clear, I took with me Messrs. Richards and Provencher, and four others of my party, and proceeded to the Hudson's Bay Company's Post near Pembina, in order to execute on British soil, and so far in a public manner, the Proclamation and other documents which are to take effect within the Territory. I have resolved to do no *official* act on American soil, and have made arrangements to occupy the Hudson's Bay Company's Post, and if necessary repel by force the attack of any such party as the one that drove us from it on the 3rd of November. It is surrounded by a high fence, and with a little improvement may be defended against a considerable force by a few resolute men, with breech-loading rifles. Fortunately we have with us a few such rifles, and a small supply of ammunition. We number about a dozen, and are all good shots. I shall not openly take this position and attitude unless I hear from Colonel Dennis that he has a force in the field, and is thus giving Riel and his party something to do at Fort Garry. In the mean time we go to and from the "Post," well armed and prepared against surprise. The American officials and ex-officials here are a little less jubilant and swaggering in their tone since they have found that the English, Scotch, and Indians, have refused to join Riel, and that resistance is being organized. I enclose a slip, cut from a St. Paul newspaper, which shows the feelings and designs of these people. They assume in their correspondence the air of lookers-on merely, but they are in truth the chief counsellors and directors of the movement. Stuttzman is still at Fort Garry, but will probably move south very speedily, when the loyal Settlers, with Colonel Dennis at their head, come upon the scene.

I have heard from Fort Garry of the safe arrival of the letters conveying my instructions in regard to the Government provisions. Riel had made two or three attempts to remove them, and had pointed two of the guns of the Fort on Dr. Schultz's warehouse, in which a portion of them was stored, in anticipation of resistance, but the firm attitude of the Canadians and others in the vicinity seems to have induced Riel to postpone his threatened seizure. I hope no collision has taken place over these stores, as such an event might prejudice the movement progressing so favourably in the English and Scotch parishes.

I enclose (Paper "B") copy of a second Proclamation which I deemed it my duty to issue. I hope I am right in using the name of Her Majesty as prominently as I have done. The leaders of this movement have studiously represented that they were only resisting the aggressions of Canada and *not* the Authority of the Crown. It is necessary to meet them on this point explicitly and promptly.

Anxiously awaiting some official directions and information from you,

I have, &c.,

The Hon. Joseph Howe,
Secretary of State, Ottawa.

(Signed)

WILLIAM McDUGALL.

(A.)

To the Honourable Mr. McDUGALL.

SIR,

We, influential members of the English-speaking population and loyal subjects of the British Crown, have heard that you are appointed Governor of this Territory, but we have had no certain or official information that such is the case; in fact, we don't know officially that any change has taken place in the Constitution of this Country. Under these circumstances there is no certainty of movement or any chance of co-operation. We will be glad to be informed officially what is the position of affairs—what are the intentions of the Canadian Government, and what support will be given from Government.

Circumstances are such that names cannot be given, at least it is not advisable; but * * * will testify to the genuineness of this communication.

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(B.)

THE NORTH-WEST TERRITORIES.

(L.S.) *By His Excellency the Honourable William McDougall, a Member of Her Majesty's Privy Council for Canada and Companion of the Most Honourable Order of the Bath, Lieutenant-Governor of the North-West Territories, &c. &c. &c.*

To all to whom these Presents shall come, GREETING.

A PROCLAMATION ! ! !

WHEREAS Her Majesty THE QUEEN, by Letters Patent under the Great Seal of the *Dominion of Canada*, bearing date the *twenty-ninth* day of *September*, in the year of Our Lord one thousand eight hundred and *sixty-nine*, in the thirty-third year of Her Majesty's Reign, has been graciously pleased to *constitute and appoint* me, on, from, and after the day to be named by *Her Majesty* for the admission of Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, to be *Lieutenant-Governor* in and over the *North-West Territories* during Her Majesty's pleasure, and did thereby authorize and empower and require and command me, on, from, and after the day aforesaid, to *Do and Execute* all things in due manner that shall belong to my said Command and the Trust reposed in me, according to the several powers and instructions granted or appointed me by that Her Majesty's Commission, and of the Act of Parliament passed in the thirty-second year of Her Majesty's Reign, intituled "An Act for the Temporary Government of Rupert's Land and the North-Western Territory when united with Canada," and the Instructions given me with such Commission or by such further Instructions as may hereafter be given me in respect of the North-West Territories and the Government thereof by Her Majesty's Governor-General in Council, under his Sign Manual, or through one of Her Majesty's Privy Council of Canada, and according to such laws as are now and shall hereafter be in force in the said North-West Territories.

And whereas Her Majesty has declared and named the first day of December instant as the day for the admission of Rupert's Land and the North-Western Territory into the Union and Dominion of Canada; and whereas, by virtue and in pursuance of "The British North-America Act, 1867," "The Rupert's Land Act, 1868," the said "Act for the Temporary Government of Rupert's Land and the North-Western Territory when united with Canada," and the said Declaration and Order of Her Majesty, Rupert's Land and the North-Western Territory have been admitted into Union with and have become and are now part of the Dominion of Canada, and are henceforth to be styled and known as "The North-West Territories."

Now, know ye, that I have thought fit to issue this Proclamation to make known Her Majesty's said Appointment to all Officers, Magistrates, Subjects of Her Majesty and others within the said The North-West Territories; and I do hereby require and command that all and singular the public Officers and Functionaries holding Office in Rupert's Land and the North-Western Territory at the time of their admission into the Union as aforesaid, excepting the Public Officer or Functionary at the head of the administration of affairs, do continue in the execution of their several and respective Offices, duties, plaus, and employments, until otherwise ordered by me under the authority of the said last-mentioned Act. And I do hereby further require and command, that all Her Majesty's loving Subjects and all others whom it may concern, do take notice hereof and govern themselves accordingly.

Given under my hand and Seal-at-arms at Red River, in the said Territories, this second day of December, in the year of Our Lord one thousand eight hundred and sixty-nine, and in the thirty-third year of Her Majesty's reign.

By Command,
(Signed) J. A. N. PROVENCHER,
Secretary.

(Signed) WM. MCDUGALL.

TELEGRAM

From Mr. H. P. DWIGHT to Sir JOHN A. McDONALD.

Dated Toronto, 18th December, 1869.

Letter dated Pembina, December 6th, says the Red River Mail, just in, brings the most exciting news. Governor McDougall has succeeded in raising body of Indians, who are marching to the Stone Fort, under Colonel Dennis, and it is feared collision has already taken place. The writer says Mail is just closing, and no time to write further particulars. A Letter, same date, from Governor McDougall, says, on December 1st the Government of the Queen was announced through its Canadian Representatives. On same day a force of Loyal men occupied Stone Fort, and the Loyal Whites and half-breeds began rapidly to rally and organise. The Insurgents were beginning to disperse, and had withdrawn their forces from the Printing-office and other places in Winnipeg. Riel, the Chief of Insurgents, still remained in possession of Fort Garry, with 400 of his followers. Another Letter says Mail just in from Garry brings news that Colonel Dennis has a force of 300 men, consisting of Swampy Indians and their

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half-breed relations, that they have garrisoned the Stone Fort, and are expected to form junction with Canadian and Sioux of Portage la Prairie, and march against Insurgents at Fort Garry. Riel had called in his reserves, who were temporarily absent, and 300 men reported at his headquarters in few hours after issuing the call. A collision was soon looked for. The reports current that McTavish had been taken by Insurgents from his sick-bed, and together with his subordinates confined in prison, and that Insurgents had helped themselves to property of Hudson's Bay Company, was not generally believed. The St. Paul press of this morning editorial on Red River trouble says Governor McDougall has assumed a fearful responsibility in thus subjecting the Settlement to the terrible risks involved in Indian War. It is but just to say that as our Correspondent at Pembina evinces a natural sympathy for the Insurgents, and obtain his information doubtless from Insurgents' side, it is possible they may be to some extent misled. We publish, of course, only such information as we get, and must necessarily base our remarks on the state of affairs as presented to us. There are grounds for belief that McDougall is entering into Indian trouble without consultation with Canadian Government, as it is stated in Ottawa Despatch of yesterday that Dominion Government may not complete purchase of North-West until spring.

(Signed) H. P. DWIGHT.

No. 13.

No. 13.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

Government House, Ottawa, Canada,
30th December, 1869.

(No. 170.)

MY LORD,

(Received 13th January, 1870.)

Secretary of
State for the
Provinces to
Mr. Turville,
Dec. 24, 1869.

Ditto, 26th
Dec., 1869.

I have the honour to enclose, for your Lordship's information, copies of Despatches from Mr. McDougall, which give an account of his proceedings and the state of affairs at the Red River up to the 8th instant.

The resort to force, which Mr. McDougall announces he had sanctioned in these Despatches, did not meet the approval of the Canadian Government, and instructions were sent to him deprecating it.

Our latest advices state that he has retired from Pembina, and is on his way back to Canada. On other points we have no certain intelligence.

The two parties of envoys had left Fort Abercrombie, and expected to reach Fort Garry on or about Christmas-day.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed)

JOHN YOUNG.

Enclosures in
No. 13.

Enclosures in No. 13.

The Hon. JOSEPH HOWE, Secretary of State for the Provinces, to F. TURVILLE, Esq.,
Governor's Secretary, Ottawa.

(No. 1129.)

SIR,

Ottawa, 24th December, 1869.

6th Dec.,
1869.

Adverting to my letter of the 16th instant, I have the honour to transmit to you herewith, for the information of His Excellency the Governor-General, a copy of a Despatch, with enclosures from 2 A to 2 D inclusive, from the Hon. William McDougall, C.B., giving an account of the events which have occurred in the North-West Territories since the date of his Despatch of the 29th ultimo.

F. Turville, Esq.,
Governor's Secretary, Ottawa.

I have, &c.,
JOSEPH HOWE,
Secretary of State for the Provinces.

HON. WILLIAM McDUGALL to the Hon. JOSEPH HOWE, Secretary of State, &c., Ottawa.

SIR,

Pembina, 6th December, 1869.

I have the honour to acknowledge the receipt of your Despatch of the 19th November, transmitted, under cover, from St. Paul to the Deputy Collector of this Fort.

It is very satisfactory to me to find that the Privy Council entirely approves of my conduct under the trying circumstances in which I was placed on my entrance into the North-West Territories. The events and the difficulties with which I have had to deal, since the date of the letter to which your Despatch is a reply, have been very fully detailed in the several Reports I have had the honour to forward to you; and I hope my conduct may, in all these difficult circumstances, be found to have

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equally deserved the approbation of His Excellency in Council. The large discretion and "freedom of action," which almost of necessity have been allowed to me, I have endeavoured to exercise to the best of my ability in the interest of the Canadian Government, and for the maintenance of the Authority of the Crown in this part of the Dominion.

It is not easy, amid the confusion and discomforts of camp life, and the building of winter quarters on the prairie in November, to make a clear and adequate statement of all the facts and circumstances which have from day to day formed the basis of judgment, or supplied the motives for action. I trust, however, that the Papers, Letters, and Reports I have forwarded, with my own observations, have enabled the Privy Council to understand the difficulties of the situation, if not in every case to pronounce as to the best means available for overcoming them.

I enclose herewith (marked 2 A) Colonel Dennis's first Report, from his headquarters at the Stone Fort, 15 miles below Fort Garry. A reference to one of Mr. Dawson's maps will show his position, and its relation to the other places mentioned in his Report. In my Despatch of the 2nd instant, I stated the purpose for which he was sent, and in general terms the powers I had given him. It appears he found that the English and Scotch half-breeds, and the Indians of the Mission, as well as a considerable number of the French half-breeds, were ripe for a movement in support of order and authority. From a confidential report by a person who had access to Riel's council, I learn that the news of the movement at the Stone Fort, and the reading of my Proclamation (which was opportunely produced and read in their meeting on Wednesday) had a most tranquillizing effect. Riel said, "This puts a different face on the matter," and, as my informant says, "expressed much loyalty." He appealed to the English Delegates (some of whom still remained in his Convention, to watch its proceedings), to "help them *peaceably* to get their rights." The English demanded a statement in writing of "what these rights were;" the French said they must have an hour to consider. At the expiration of the hour they presented a paper, of which a copy is enclosed (marked 2 B). The English refused to be parties to this demand, alleging that the Proclamation showed they had no right to make it, that they must accept the new Government, and trust that all they could justly ask would be granted. Riel was indignant at their refusal to join in a deputation to me with his *ultimatum*, and declared he would bear it himself. Nothing, however, was decided up to Thursday at noon. Riel's armed guards were withdrawn from the town after the posting of the Proclamation, and also from the Store-house containing the Government provisions. Fort Garry was still held by a force of thirty or forty men.

I enclose (Paper 2 C) a letter of a private character from Mr. Mair, which mentions some further particulars, and also confirms some of the statements I have detailed on the authority of their correspondence.

I feel very confident that this prompt display of vigour, and the determination to assist and maintain by force, if need be, the authority of the New Government from the day and hour of its expected birth, will inspire all the inhabitants of the Territory with respect for your Representation, and compel the Traitors and Conspirators to cry, "God save the Queen," or beat a hasty retreat. The "prime conspirator," Stuttzman, as I anticipated in my last Despatch, did not wait for Colonel Dennis to get his hands upon him, but made his appearance here the day after the Proclamation was issued, very subdued and crest-fallen.

I notice the remark in your Despatch, that I can "claim or assert no authority in the Hudson's Bay Territory until the Queen's Proclamation reaches me through this (your) Office." If I had so read my Commission and the Acts of Parliament, the Rebel Government would have been formally inaugurated during the interregnum which must have occurred between the 1st of December (which the Rebels, as well as the Hudson's Bay Company's Agents knew and believed to be the date of the transfer), and the time when your messenger could reach me. He probably would have met me at St. Cloud or St. Paul, if I had lived to get so far, with no disposition or power to return without an army at my back. You can judge, from the tone of the American newspapers, and the action of the Legislature of Minnesota, at its last session (Extract 2 D), to say nothing of the Fenians who have their emissaries here and at Fort Garry, what facilities would be given for the transportation of a Canadian force in such an event as that stated. My conviction is that we would have had to fight at a much later date, and at a great disadvantage, a very different enemy from that which now melts away before a Proclamation and a "Conservator of the Peace."

I shall await the arrival of your messenger before taking the oaths of office, or performing any but necessary acts for the protection of life and property. I must trust that the same necessity will be my justification, if I have committed an error in assuming that the Transfer of the Territory to the Dominion did actually take place on the 1st December, and that my Commission came into force at the same time.

I have, &c.,

WILLIAM McDougall.

The Hon. Joseph Howe,
&c. &c. &c.

(2 A)

Colonel DENNIS to the Hon. WILLIAM McDougall, C.B. :

MY DEAR MR. McDougall,

Stone Fort, Lower Settlement, December 2nd, 5 p.m.

I arrived at William Hallett's, on the Assiniboine, at 5 a.m. yesterday morning, after a more than usually disagreeable trip. I immediately sent up for Mr. * * * and Mr. * * * ,

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who came down shortly after. I gathered from their conversation that there was little doubt that public sentiment would now sustain a movement to put down by force of arms the refractory French. At the same time, it was clear that, personally, they deprecated a movement in that direction, fearing that people like themselves of large property would suffer much injury should hostilities ensue. * * * I found of the opinion that the people would now respond to a call.

I read my Commission, as also the Proclamation, one of the English copies of which I gave to Mr. * * * to be produced at the meeting with the Insurgents, and then came to the village.

On my way up, I should have mentioned, I spent a couple of hours with Mr. * * *, and was pleased to find that his views of the situation, as regards the feelings of his people, had undergone considerable change: so much so that he had been busying himself for the last few days in visiting among his people and making a list of those who were willing to take up arms against Riel's party. These he told me amounted to 96. I arranged with him that, should I find the same feeling to exist among the Scotch and English I would let him know, when he was to organize his men and hold himself in readiness for orders.

I found an uneasy and excited state of feeling in the village. Dr. Schultz felt that himself and family and property, so he told me, were in imminent danger, and advised me not to be seen about the village, and to get out of it as soon as possible, or I would assuredly be made a prisoner. After seeing Mr. * * * and other Canadians, and showing them my Commission, I left, for the purpose of satisfying myself further as to public opinion in the Settlement.

By this time it was six o'clock P.M., and I came on, introduced myself to Mr. Flett, the Master of this Fort, showed him my Commission, and took possession. He was very kind, and showed every desire to further the object in view, placed one large building entirely at my disposal, and undertook at once to see to the lighting and heating of it.

By eight o'clock there were some 70 young men assembled in a large room in an upper part of this building, and one of the gentlemen of * * *, gave them an hour's drill.

I read the Queen's Proclamation to them, which was enthusiastically received. A guard for the Fort volunteered for the night from those present, which was increased by a reinforcement from Chief Prince's band of some 70 men to 120 men. I have sent the Indians home, all but 50, who, with the Chief, I have retained for the present to serve as a permanent guard to the Fort. I proposed to avail myself of their services in that way rather than by allowing the Indian element to be mixed up in any actual fighting just at present.

There was an excellent feeling exhibited by these poor men. They cheered and fired off their guns enthusiastically on being called upon to cheer the Queen, and a distribution of provisions and tobacco sent them away happy.

The Chief relieves his guard without the imposing ceremony observable among regular soldiers; but I doubt not, nevertheless, it will take a very active enemy to get into the Fort without the knowledge of the Red-skinned sentries.

This place is capable of easy defence against anything but artillery, and it must have been nothing but fear of arousing the English half-breeds that prevented its being seized and occupied by the Insurgents.

I have taken pains to make known to-day through the Settlement my presence here, and that my intention is to raise a force from among the people, with which to enforce a restoration of public order, and I expect a response of from 100 to 200 people this evening when I shall commence to enrol and organize.

I find Major Bolton of great service, and have called in Mr. Hart's party, with a view to using himself and the other members of his party, who are all cadets, in drilling and otherwise assisting.

I have ordered 20 fat cattle, which will be ready for use by Monday next, and will have no difficulty in procuring other necessary supplies.

I have sent Mr. Webb, who is surveying up the Assiniboine, and who is a volunteer officer of very considerable experience, full instructions to proceed to the Portage without delay, and there to organize 4 companies of 50 men each, equip and provision them, and then report to me, drilling them in the meanwhile industriously. The other gentlemen in his party, including Mr. Newcombe, are all cadets of the Military Schools, and I have therefore directed him to take them up to assist them in organizing and drilling the companies. I shall, fortunately, have a Military School-man to command each of the companies in the whole force. The other and subordinate officers I will let the men select from among themselves.

The companies will be thrown into one battalion, of which I shall take the immediate command, with Major Bolton as second.

I hope and believe your delivery from the humiliating situation you are now in is a mere matter of a very short time. You had, therefore, better get things in readiness to move in when you may be advised.

I sent Judge Black a request last evening that he would call upon me, and he has accordingly been here a good part of the day. I wished to consult him as to the expediency of my proclaiming Martial Law in the Territory, so as to enable me to seize upon Stuttsman, who still remains at Winnipeg—no doubt aiding and abetting the rioters. The idea of such a thing seemed to frighten him, and he begged of me to delay it for a day or a day or two, as he thought there was strong hope that the Council—still, I suppose, in session (as we have not heard the result)—taking steps to dissolve the whole thing. I agreed to the suggestion; but so soon as I may have a force to back me up, without I am satisfied on consulting Mr. Ross that it would be undesirable, I shall take that course.

Should we succeed in getting hold of the prime conspirator named, I shall put him in a strong room in this place, under the charge of my friend Pima, the Indian Chief, and his warriors, until he may be delivered by some due, but, we shall hope, tedious, course of law.

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I should have liked to have ascertained the result of the Council referred to before closing this letter; but it is now six P.M. of the 2nd, and I am loth to detain the messenger longer, as I know your anxiety to hear from me.

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The Hon. William McDougall, C.B.,
Lieutenant-Governor, Pembina.

Believe me, &c.,

(Signed) J. S. DENNIS.

P.S. I have written Mr. * * * by this messenger to notify his men, and then come to me for orders. Have also reported my arrival and intentions to Governor McTavish, and sent him copy of my Commission.

(Signed) J. S. D.

(2 B.)

Letter from D. S. MUSKINS, Esq., to the Hon. WILLIAM McDOUGALL, C.B.

SIR, Winnipeg, December 2nd, 1869.

Having received a Letter from Colonel Dennis, from the Stone Fort, where he arrived last night, instructing me to forward a Report of the proceedings of Riel's Council, I enclose the Resolutions passed by the French Delegates, without any concurrence from the English-speaking portion of the Council.

* * * came up this afternoon for Volunteers, and collected all the Canadians to the number of about 22. Riel got wind of the movement, and has guards on the road to Pembina, believing it to be an arrangement to bring yourself in. I am in hopes they will reach the Stone Fort in safety.

Mr. Caldwell states that Riel's Council were deserting him, and that twenty-four hours would settle the thing, if no blood was spilled to-night.

The Rebels seized both of the Printing Offices, and the Proclamation had to be written.

I have, &c., in haste,

The Hon. William McDougall, C.B.

(Signed) D. S. MUSKINS.

COPY OF RESOLUTIONS.

1. The right to elect our own Legislature.
2. The Legislature to have the power to pass all Laws local to the Territory, over the *veto* of the Executive, by a two-third vote.
3. No Act of the Dominion Parliament (local to the Territory) to be binding on the people until sanctioned by their Representatives.
4. All Sheriffs, Magistrates, Constables, and School Trustees to be elected by the people.
5. A Free Homestead and Freehold Law.
6. A portion of the public Lands to be appropriated for the benefit of Schools, the building of Roads and Parish Buildings.
7. A guarantee to connect Winnipeg by *Rail* with the nearest line of Railroad;—the Land Grant for such Road or Roads to be subject to the Legislature of the Territory,
8. For a given number of years all public Expenses of the Territory, Civil, Military, and Municipal, to be paid out of the Dominion Treasury.
9. The Military to be composed of the people now existing in the Territory.
10. That the French and English languages be common in the Legislature and Courts; and all public Documents and Acts of Legislature be printed in both languages.
11. That the Judge of the Supreme Court speak French and English.
12. Treaties to be concluded and ratified between the Government and the several Tribes of Indians of the Territory, calculated to insure peace on the Frontier.
13. That these Rights be granted to us by Mr. McDougall, before he be admitted into the country. If he have not the power himself to grant them, then he must get an Act of Parliament passed, expressly securing us those Rights; and, until such Act be obtained, stay outside the Boundary Line of the Territory.

(2 D.)

“RESOLVED by the Legislature of the State of Minnesota:—

“That we regret to be informed of a purpose to transfer the Territories between Minnesota and Alaska to the Dominion of Canada, by an Order in Council, at London, without a vote of the people of Selkirk and the Settlers upon the sources of the Saskatchewan River, who largely consist of

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"Immigrants from the United States; and we would respectfully urge that the President and Congress of the United States shall represent to the Government of Great Britain, that such action will be an unwarrantable interference with the principle of Self-Government, and cannot be regarded with indifference by the people of the United States.

"That the Legislature of Minnesota would rejoice to be assured that the cession of North-West British America to the United States, accompanied by the construction of a Northern Pacific Railroad, are regarded by Great Britain and Canada as satisfactory provisions of a Treaty which shall remove all grounds of controversy between the respective countries."

The Hon. JOSEPH HOWE, Secretary of State for the Provinces, to F. TURVILLE, Esq.,
Secretary to the Governor-General.

Department of Secretary of State for the Provinces,
Ottawa, 26th December, 1869.

SIR,

No. 1132.

I have the honour to transmit to you herewith, for the information of His Excellency the Governor-General, a copy of a Despatch, with three Enclosures, from the Hon. William McDougall, C.B., giving an account of the occurrences which have taken place in the North-West Territories since the date of his Despatch of the 6th instant.

I have, &c.

(Signed)

JOSEPH HOWE.

F. TURVILLE, Esq.,
Secretary to the Governor-General.

Secretary of State for the Provinces.

Governor McDougall to the Hon. JOSEPH HOWE, Secretary of State for the Provinces, Ottawa.

SIR,

Pembina, 8th December, 1869.

I have the honour to inform you that no message or messenger from Fort Garry or from Colonel Dennis has reached me since my Despatch of the 6th instant. A rumour is current here, based on a statement of the mail-carrier (who only travels half the distance to Fort Garry), that there were 600 men under Colonel Dennis at the Stone Fort, and 300 under Riel in Fort Garry. As none of us received letters by the last Mail from the North, I infer that the road, or some part of it, was, up to Sunday at least, under the control of Riel. I did not expect that Colonel Dennis would move from the Lower Fort until the people of "The Portage" had joined him, which could not well have been accomplished before Monday or Tuesday. I am not, therefore, surprised to find the road still obstructed between this place and Fort Garry.

On Monday last Mr. Richards, who lodged with a Mr. Rollette, Deputy United States Marshal at Pembina, reported to me that the officials and residents of the village were very much excited in consequence of a rumour that the Indians were being armed by the Loyalists, and that the aid of the Sioux had been sought by some of the Canadians at Fort Garry. Knowing that the Indians had refused to join Riel's party, and that the Sioux would like an excuse for attacking them, and knowing also that we were aware of the complicity of some of them in the outbreak, it was natural that they should be alarmed by such a rumour. I had previously heard of their attempts to organize a force for the purpose of attacking us in our "winter quarters," ostensibly for the purpose of "driving us out of the country," but really, I have no doubt, with a murderous intent. I had private information of the designs of two or three desperadoes and outlaws, who have found it convenient to reside in this neighbourhood, and who are concerned in the present movements. They had become aware of Colonel Dennis' occupation of the Stone Fort, and of the determination of the English and Scotch half-breeds to resist Riel's party, and they feared for their own safety. They pretended to believe that I had given orders to employ the Indians, and they threatened immediate reprisals unless I revoked the supposed order. Mr. Richards was very much alarmed by these threats, and suggested the immediate return to Fort Abercrombie of the females and children. While this was a humane, I felt it was not a politic, and, at the moment, not a practicable suggestion. We had not yet constructed a sufficient number of sleighs for the journey, although they were in process of construction. I therefore determined to go down to the village and have a conference with the Officials, who I knew would soon make known the result to those more deeply implicated in the Conspiracy. I took Messrs. Richards, Provencher, and my son, with me, and drove to the Custom House. Mr. Nelson, the Deputy Collector, is a very intelligent and respectable person, and, I have reason to believe, has kept himself aloof from Stuttzman and his co-conspirators. I found some of these assembled in his office, evidently much alarmed, and by no means in a friendly mood towards me. I at once explained the object of my visit, and requested that the Postmaster and other official persons in the neighbourhood should be assembled. This was soon done, and I frankly explained their situation and my own, as I understood it. The enclosed (Letter "3 A"), which I afterwards addressed to Mr. Nelson, sufficiently details what took place at this interview.

I found on inquiry the next day that Mr. Nelson and one or two of his neighbours were re-assured by the statements and explanations I had given them, and expressed themselves pleased with my candour and firmness. Stuttzman and Rolette, however, were still talking of vengeance. Messrs. Richards, Provencher and Begg having removed to my house, we established a military régime and prepared to resist an attack from any quarter. We kept watch by night and by day, and had all our arms ready for action. Not having heard from Colonel Dennis since the date of his Report, forwarded with my last Despatch, I deferred my proposed removal from American Territory, but kept up daily communication with the Hudson's Bay Company's Post.

I enclose (Paper "3 B") a translated copy of a Letter received two or three days since by Mr. Provencher, from, as he supposes, the Roman Catholic Priest at Scratching River. It is without signature, and is evidently intended to frighten us away; but we feel that our departure for Canada at the present juncture, much to be approved on personal grounds, would be fatal to the retention of the North-West as a part of the Dominion, and with that view of the case we have determined, at all hazards, to remain a little longer, in the hope of a peaceful solution of the present difficulty.

The friendly disposition of the Indians of this Territory to us, and their antipathy to the Americans, is the great anchor by which we shall be enabled to hold it. While they are with us and properly handled, no enemy from the South will ever venture into these great Plains. This fact is fully comprehended by the Military Authorities at Washington, as well as by the Fenians in New York. Great efforts were made by the Leaders of the present Conspiracy to secure an alliance with the Indians, especially with the bands in the neighbourhood of Red River, before taking the field. Their first step was to persuade them to make demands upon me of such a character that compliance would be impossible, and thus create a *casus belli* between the new Government and the Indians at the very outset. With this view they kept Chief Ka-wi-ta-osh and a part of his band in and about Pembina for some weeks—much longer than they had bargained for—to meet me at the Boundary Line and to present these demands. I have already, in my Report of the 29th November, referred to the publication in the 'Yankton Dakotian' of the Letter prepared for the Indians by the American plotters here, but repudiated by the Indians as soon as they understood its purport. I observe that this Letter has appeared in several Canadian newspapers, and do doubt has attracted the attention of the Privy Council.

The next step was a summons to the Chiefs of the large Bands to meet Riel and his Confederates at Rivière Salé, for consultation and treaty, with a view to an armed alliance against us. The Chiefs "Fox" and "Gros Oreille" obeyed the summons; but though tempted by very large promises, they wisely and promptly refused to join or aid the half-breed movements, but intimated to our friends that they would be ready to obey a summons from the Authorities.

In these circumstances it was felt to be a wise, as well as a loyal and humane policy, to threaten the Insurgents and their annexation leaders with an Indian as well as a Civil War, if they persisted in their rebellious designs. The alarm, real or pretended, of the neutral and respectable people, few though they are, in this Settlement, as well as the exasperations and murderous threats of the Conspirators themselves, show the power of the engine that they believe has been worked. I believe they have called for troops from the nearest American Post (Fort Abercrombie) to protect them from the dreaded Sioux. I may add that small bands of the Sioux have lately been seen only three or four days' journey from here. Two Chippewa Indians, and a half-breed boy who had gone towards Pembina Mountain on a hunting expedition, were met by six Sioux, who, pretending friendship, suddenly rushed upon the carts of the Chippewas, seized their arms, and fired upon them; one of the Indians fell dead, the boy ran, apparently wounded, while the other escaped unhurt, and, running for his life towards this place, came to the Hudson Bay Company's Post nearly exhausted with hunger and cold—they belonged to the Ke-wi-ta-osh's band, and I hear that, according to Indian custom, a war party has started out to recover the carts and the wounded boy, and to avenge the death of one of their warriors. These attacks and reprisals by hunting parties of the two Tribes are not uncommon; but the present case shows a degree of boldness on the part of the Sioux, and a propensity to travel North instead of West, which are not pleasant to the imagination of our Frontier neighbours. I could not refrain from telling them at our Meeting of Monday evening, when the desperate character of the Sioux was portrayed to me, and I was urged to give immediate orders to the Loyal Settlers not to accept the help of Indians, that the possible consequences of an Indian War, ought to have been thought of by some people in the neighbourhood of Pembina, a few weeks ago. The remark was delivered in a serious tone, and with proper emphasis, and was received in solemn silence. The shot took effect, and seeing they could not frighten me into issuing orders dictated by them, they expressed themselves satisfied with my declaration, as reported in my letter to Mr. Nelson.

I waited for two days and nights after this interview, anxiously expecting a second Report from Colonel Dennis, which I hoped would inform me of the dispersion of Riel and his party, or of a joint deputation to me, and an armistice in the mean time; but as none came, and as the story of the employment of the Indians might, though untrue except as to Prince's band, grow into truth by its own circulation, I thought it well to address a letter ("3 C") to Colonel Dennis on the subject, and entrust it to the Mail under cover of Mr. Nelson's envelope. I instructed the Messenger to allow Mr. Nelson to read it before he sealed the letter, in order to convince him of my desire to avoid as long as possible an appeal to the Indians.

I received a Note from General Hunt, who commands at Fort Abercrombie, informing me that he could not find storage for my goods in the Fort, but he was informed that Mr. McCaulay, a merchant there would store them, and apply to him for protection if (which he did not think likely) any one attempted to molest them. I have also heard from the person sent to remove the arms, &c., from George Town, of their safe arrival at Fort Abercrombie.

Thursday 9th.—I have just heard, as I am closing this Despatch, that two Messengers from the Settlement have been intercepted near this, and their Papers taken from them by Stuttsman and Company, or half-breeds employed by them. I am taking measures to make this operation unavailable for the future.

I have, &c.,
(Signed) WILLIAM McDUGALL.

The Hon. Joseph Howe, Secretary of State, &c., Ottawa.

LETTER from Governor McDougall to N. E. NELSON Esq.,
Deputy Collector of Customs, Pembina.

Hudson's Bay Company's Post Pembina,
8th December, 1869.

DEAR SIR,

I think it my duty to you as well as to myself to put in writing, though not formally or officially, the principal points of our conversation on Monday evening last. Serious events and complications may possibly arise out of the disturbances which unfortunately still prevail at the Red River Settlement. Exaggerated, and I fear in some cases wilfully false statements, as to the extent, origin, aim, and tendency of these disturbances, have been spread far and wide through the American Press, on the alleged authority of persons living in this vicinity. I have some apprehension that the interview of last Monday evening, and the statements made and views expressed on both sides may be misrepresented through the same channels, and therefore I take the precaution, while the matter is fresh in our minds, to set down the material points of our conversation.

Mr. Richards having reported to me that you had expressed great apprehensions that an Indian War, and consequent danger to the lives and property of American Citizens in this Territory, would grow out of the efforts of the Magistrates and Loyal people of Red River Settlement to disperse the armed half-breeds under Riel, and that you seemed to think I might by some exercise of authority prevent or lessen the danger of these consequences, I thought it only due to you as the Principal Officer of the American Government at this Post, to confer immediately with you. Living for the moment under the protection of American Law, I could not be indifferent to the wishes of one of its most efficient, honourable, and obliging administrators.

I proceeded to your office about 5 o'clock P.M. (of the 6th instant), and explaining why I had come, requested the presence of the other Officials of the place, Mr. Cavalier, the Postmaster; J. Rolette, one of your officers, J. Rolette, his father, who I understand is, or acts as Deputy Marshal; Mr. Harrison, Justice of the Peace; Mr. Lemay, Ex-Collector, and three or four other residents of the village were present. Mr. Richards, Mr. Provencher, and my son were present with me.

After you had finished writing a letter, on which you were engaged when I entered your office, I directed my remarks to you, and stated that Mr. Richards, having reported to me your apprehensions, as already mentioned, I wished to explain the *legal* position of affairs in the North-West Territories. I stated, that on the 1st December, the powers of Government passed from the Hudson's Bay Company and its Officers, to the Representative of Her Majesty the Queen, appointed by the Governor-General of the Dominion. That this was the result of various Acts of Parliament, and the proceedings lawfully had under them; that I had been commissioned and empowered to represent the Crown as Lieutenant-Governor; but while on my way to Fort Garry, before the transfer had taken place, I was met and ordered away from the Territory by a body of armed men, acting without—and as I subsequently learned, in defiance of—authority; that I had remained on American soil, under the protection of American law up to the present time; that the Proclamations announcing the change in the Government, and notifying public Officers, &c., of the fact were executed at the Hudson's Bay Post, on British soil, and that I had not done, and did not intend to do, any official act, except when in my own jurisdiction. That the movements of the Loyal people of the Territory against the Rioters under Riel were in a great degree spontaneous, and under the direction of Local Authorities as "Conservators of the Peace" exercising only civil power. I stated that in every civilized community the Magistrate and Peace Officer has power to raise the *posse comitatus*, or whatever force he needs to put down mobs and riots, acting in breach of the public peace, and that so far as I knew, or had sanctioned, this was the only "War" now going on. That I had not authorized the employment of Indians, and, except in the last resort, did not intend to do so; that I had received messages from several Chiefs, expressing disapproval of the conduct of the French half-breeds under Riel, and offering their services in the cause of order and law; that I had sent verbal and brief replies, thanking them for their goodwill, evading the offers of service, and putting off the questions they wished to consult me about, until my arrival at Fort Garry, and, that to be frank and explicit, having seen what I had in the Press, and having heard of various expressions and actions by persons who I knew were listening to me, I must give it as my deliberate judgment, that those *white* persons on both sides of the line, who had advised, countenanced, and aided the lawless outbreak of the French half-breeds, and had rejoiced at their success in keeping out of the Territory the Representative of authority and law, and the only power which the Indians would be likely to obey or respect, will be held responsible before God and man for any destruction of life or property which may result.

You stated that you had given no countenance to the half-breed movement, had expressed no opinion one way or the other, but had performed the duties of your office with strict impartiality—that you deprecated the putting of arms into the hands of Indians, or raising them in any civil contest, and were much concerned when you heard that they were being employed by the Authorities in the Settlement, and you questioned whether, if I had authorised it, I had not violated the laws of neutrality. That you were glad to hear me say I had not done so, and hoped I would exert my authority to prevent it.

I at once acknowledged your fair and honourable conduct, and my belief that you had neither said nor done anything to provoke or encourage the lawless proceedings of the half-breeds, but I said I feared there were others, on the American side of the Line, of whom the same thing could not be said. That as to using my authority to restore order and restrain the dangerous elements of the country, that was the very thing I was trying to do; but as I had no sufficient force at my command to overcome the armed men who barricaded the road, I was unable to use my authority in the most effective way, and the Local Magistrates and Officers were, therefore, left to their own judgment as to the use of means, and it would be very unreasonable to hold me responsible for their acts until I had an opportunity of controlling or preventing them.

Mr. Cavelier, Postmaster, asked me if I did not know that Dr. Schultz had sent one "Sherman" with goods of a certain kind to the Sioux in the vicinity of Turtle Mountain, and that the purpose was to use them against Riel's party. I said I had not heard of any such thing, and moreover did not believe it. I thought Dr. Schultz too sensible a man, believed he had too much at stake to incur any risk so dangerous. Mr. Cavelier said he *knew* the statement was true, and in reference to my remark as to Dr. Schultz's position, said he was a reckless and selfish man whose doctrine was that "you could trust no one as a friend, except so far as interest moved him," &c., &c., that "Sherman" was an outlaw, dared not come into American territory, and would be hanged if he did. That the Sioux referred to were not yet reconciled to the Government, and would not hesitate to murder American citizens if they were encouraged by such a man as Sherman to do so, &c., &c.

Mr. Lemay remarked with much emphasis, that if the Indians took part in the war, as he called it, my life would not be safe for five minutes. Mr. Harrison added that, in such an event, I and my party would find ourselves in the *hottest* place we had ever been in, &c. Mr. Lemay wanted an explicit answer to his question, whether *in any case* I would countenance or authorize the use of Indians? I declined to make any statement of what I would or would not do, when I assumed the functions of my office, but that I *had not* authorized, and did not wish to employ even half-breeds in warlike operations. That I was a good deal startled by the statement of Mr. Cavelier, in regard to the Sioux at Turtle Mountain, and I enquired whether they lived in American or British Territory. Mr. Cavelier said they were sometimes on one side and sometimes on the other side, but were known to be hostile to Americans. After some further general remarks, I concluded my interview by observing that, in view of the dangerous position we were all in, I thought the best thing we could do was to restore order and authority at Red River Settlement as soon as possible. And I believed the persons were then in the room, or immediate neighbourhood, who could do it; and that at all events that was my duty and mission, and to the best of my power and ability I intended to execute it. To Mr. Lemay's and Mr. Harrison's remark—some will call it a threat—that if Indians, whom I have never seen, and am in no way responsible for, should go to war, my life would not last five minutes, I replied that such an observation or possibility would not affect my action or course in the least. I had accepted an important office, knowing well its perils, but I meant to do my duty regardless of all personal considerations. I was but one man, and after me would come another, and perhaps one better skilled in the operations of war. I had come to cultivate the arts of peace, to establish telegraph lines, build roads, and encourage emigration, and organise a civilized community. But those who thought it would serve their purpose better to stir up disorder and riot among the French half-breeds—next to the Indian the most dangerous element in the country—must not imagine that they can transfer to me the responsibility of a conflagration which they have fanned, if they have not kindled.

The above is the substance of what was said in your Office, in the presence of the principal inhabitants of the village, and which I desire to remain of record in your hands.

Since my conversation with you I have heard some statements, which I deem it proper to mention in connection with the foregoing. I am told that a person to whom I entrusted copies of a Proclamation, continuing and confirming the authority of all peace and other officers, was arrested on British Territory by two American citizens living in this vicinity, and that these papers were taken from him without law or authority, and in violation of their duty as persons under a temporary allegiance to the Sovereign of the country in which they were travelling. If this outrage has been committed, as reported to me, by those in whose behalf I am asked to exercise my authority over the Indians, I ask you, Sir, how am I to get my orders obeyed if they are not allowed to reach those to whom they are addressed. I can assure you that the persons who have sought to confer with me from the Settlement—official as well as unofficial—have experienced little difficulty, and felt no serious apprehension of obstruction or danger, until they approached the American border, and their fears were, not that they would be interrupted on their peaceful and lawful visits, by Indians or half-breeds, but by *white* men, one of whom, at least, is an official under your direction. It is in evidence before me that the person alluded to has been endeavouring to incite the half-breeds and others hereabouts "to drive me and my party out of the country." I can hardly suppose that these are done, and threats made, by the son of a Deputy Marshal, and an employé of the Customs Department of the United States, without the knowledge and approval of some one higher in authority. Do not suppose for a moment that I imagine *you* have countenanced, or will countenance, the acts or threats of your subordinate, but it is well you should know what has been communicated to me respecting him.

I send you the enclosed Letter addressed to Colonel Dennis, in hopes that you may find some means of forwarding it safely. Perhaps you can address it under cover to some one at Fort Garry, who will be able to place it in his hands. You will see by the contents which I have left for your (private) perusal, that *my* wishes and orders are against the employment of Indians in the present crisis. I shall send a duplicate of the order by the first opportunity, but as my letters have been so often tampered with, I cannot trust the regular post. A letter addressed by you, and to an unsuspected correspondent, might reach its destination more speedily and safely.

In conclusion let me add that, in the event of a "raid" upon this Settlement by the Sioux Indians, you and any other American citizens placing yourselves under my protection may rely upon it that all the influence and authority of my office and all the means of defence at my command will be put forth in your behalf. If that office and authority are as potent with the Indians on the British side of the Line, as some of the gentlemen present at our interview admitted them to be, the threatened danger will be averted.

Believe me, &c.,
(Signed)

WILLIAM McDougall.

N. E. Nelson, Esq.,
Deputy Collector of Customs, Pembina.

CANADA.

3 B.)

When Mr. McDougall arrived here a month ago there were five hundred men under arms; if he had then left the difficulties could have been settled quite easily, now the whole population is on a war-footing, and a serious character of opposition is getting deeper and deeper in the minds as long as Mr. McDougall is giving the Insurgents more trouble. Every attempt at coercion made by Canada, or even by England, will result in the loss of all advantages that you could draw from this country. The half-breeds will take again the road of the prairie, and from there they will prevent any improvement that can be attempted or tried—telegraphs, railroads, settlements; war can be made against them, but the armies will never meet them. There will be thousands who will be elsewhere and nowhere. If the people were left quiet they would soon be ready to listen to propositions that could be made to them by the Canadian Government; but the longer Mr. McDougall will attempt to come in by measures of violence the more difficult it will be. For himself, if he comes into the territory, he will be shot immediately. His principal friends and supporters here are on the eve of being massacred.

(3 C.)

MY DEAR COLONEL, Near Pembina, December 8th, 1869.
I commit to the post, under cover to a third party, this Letter, which I trust you will receive and act upon without delay. It has been represented to me that the Authorities who are endeavouring to quell the outbreak of the French half-breeds, have contemplated the employment of Indians for that purpose, and that a band of Sioux, on the Assiniboine, are drilling, with a view to military or warlike service of some kind. I desire and direct you to prevent, as far as you can, any project of this kind. If Indians are sent upon the war-path by any person acting with authority it may be found very difficult for the same, or even a higher authority, to recall them, or to restrain them within the limits allowed to forces acting in aid of the Civil power. It is said, also, that goods "of a certain kind," by which I understand ammunition and arms, have been sent from the Settlement to the Sioux, near Turtle Mountain, with an invitation to them to aid in the suppression of the half-breed disturbance. I can hardly believe this story; but I hope you will inquire into it, and take immediate steps to counteract any movement of the kind. The American residents here are very much disgusted at the prospect of a visit from the Sioux, and it would indeed be deplorable if they should be drawn into a contest that might give them a pretext to re-enact the scenes of 1862.
With regard to the Indians of the Mission under Chief "Prince," a few of whom, I understand, are employed to guard the Stone Fort, I will be glad to hear that their services in that capacity are dispensed with. They may be intelligent and subject to control, but the *fact* of their employment will soon reach the ears, and possibly excite the war-spirit, of more distant bands, who may not be so easily restrained.
Extreme necessity in a time of riot and anarchy will justify extreme measures, but I hope the loyal inhabitants, who have risen in defence of law and order, will be able to accomplish their object without the active aid of their Indian allies.
I trust to your discretion in the mean time, but hope soon to be nearer the scene of action, and in a position to judge and command.

Lieutenant-Colonel J. S. Dennis, I am, &c.,
(Signed) W. McDUGALL.
Red River Settlement.

No. 14.

No. 14.

COPY of a DESPATCH from Governor The Right Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to the EARL GRANVILLE, K.G.

(No. 4.) Government House, Ottawa, Canada, 5th January, 1870.
(Received 19th January, 1870.)
(Answered, No. 21, 26th January, 1870, page 174.)
MY LORD,
With reference to previous Correspondence on the same subject, I have the honour to transmit herewith two Letters from the Secretary of State for the Provinces, covering copies of Correspondence relating to the state of affairs at the Red River Settlement.

Dec. 30, 1869.
Jan. 3, 1870.

The Earl Granville K.G. I have, &c.,
JOHN YOUNG.
&c. &c. &c.

Enclosure 1 in No. 14. (No. 1717.)
SIR,

I have the honour to enclose, for the information of His Excellency the Governor General,

Ottawa, 30th December, 1869.

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copy of a Despatch (No. 1147) from the Hon. William McDougall, C.B., dated Pembina, 13th December, detailing occurrences which have taken place since his Despatch of the 9th inst.

I have, &c.,

(Signed) JOSEPH HOWE,
Secretary of State for the Province.

F. Turville, Esq., Governor's Secretary.

CANADA.
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(No. 4.)

Pembina, Monday, 13th December, 1869.

SIR,

I have the honour to acquaint you that I have received no communication from you since your Despatch of the 19th ult. Two Letters, marked "private," from Sir John McDonald, date of the 23rd November, came to hand safely on the evening of the 11th inst. I have received newspapers from Ottawa and Montreal of 27th and 29th respectively, and from more western cities of a date one or two days later. If the Mails are not delayed on the way, they will arrive here from Ottawa in about fourteen days.

I regret to state that the Insurgents under Riel have developed more strength and determination of purpose in their rebellious movement than the reports from Fort Garry—of every kind—had led me to believe they possessed. They have been able, with the help of their allies on the American side of the Line, to intercept and prevent all communications from Colonel Dennis to me, since his Report of the 2nd inst. I have, therefore, had to trust to the statements of the *enemy*, and such flying rumours as we could gather from friendly "half-breeds," for the occurrences and movements at Fort Garry and the Stone Fort since the 2nd inst. From these various sources of information I learn that on the 5th or 6th inst. a number of persons (the report says forty or fifty) were assembled in the house of Dr. Schultz, as a guard, or as a portion of the *posse comitatus* about to join the Force under Colonel Dennis, when they were suddenly surprised by a party of Riel's men and made prisoners. It does not appear that any resistance was made by the Schultz party, whether from the suddenness of the attack or their unwillingness to be the first to shed blood, I cannot learn. It is said they were armed, and had in the house 400 rounds of ammunition. The prisoners were marched to the Fort and detained there, but have been allowed to supply themselves with provisions from the village. The number of Insurgents now under Riel's orders is said to be 400 or 500—as large a body as his friends have at any time claimed for him. If this story should be confirmed, it would indicate great confidence in Riel and his plans by the bulk of the French, and the continued support of the *Clergy*, and the American and other traders in the Settlement, who are known to have advised and assisted him in the earlier stages of the movement. The same report tells us that this sudden display of force by Riel has discouraged the Canadians and their friends, and that the English and Scotch half-breeds have refused, in any number, to join the party of law and order. This representation of the state of affairs receives some confirmation from the fact that Riel was able to send a force of twenty men to the Hudson Bay Post here, who, since Friday last, have held it, and prevented any of our party from going there. The Americans in our vicinity concerned in the movement are less excited since the arrival of this force, and talk of our being obliged to remove in a few days towards Canada. Hearing that Mr. James McKay, a wealthy and influential resident on the Assiniboine, and one of those whom Colonel Dennis was to consult before taking any decisive measure, had reached the house of Mr. Dease, about twenty-six miles up the Pembina River, on the American side of the Line, I sent my son on the 11th inst. with a verbal message to him, and in the hope that he would be able to give me reliable information of the operations of Colonel Dennis, since I had heard from him; and also whether the story of the arrest at the house of Dr. Schultz was true. The road to the place where Mr. McKay was staying runs, in some places, on British Territory, and the people here (except Mr. Nelson) being all openly leagued with the Insurgents, and keeping guard at night at the bridge over the Pembina River to prevent any messenger from reaching me, I was apprehensive that my son would be intercepted, and therefore directed him to bring no letters or written communications unless Mr. McKay assented. He succeeded in finding Mr. McKay, and getting his version of affairs in the Settlement down to the 5th inst. I enclose his Report to me (4 A).

On reference to Colonel Dennis' Report, forwarded with my Despatch of the 6th inst. ("2 A"), it will be seen that he saw Mr. McKay before taking possession of the Stone Fort, and found him of opinion that the time had come for some kind of opposition to the French; but afraid that people "of large property," like himself, would suffer injury, I am disposed to think he ran away as much on account of the danger to his person as to his property. But his case illustrates the position and feelings of many others who have no sympathy with the French half-breeds, and no objection to the new Government. They will accept the latter, if some one else will do the fighting and pay all the money necessary to establish it.

Major Wallis, who is staying with Peter Hayden, not far from the Hudson Bay Post, reported to me last night that Riel was expected to arrive there during the night. I thought, in view of all the facts as they now present themselves, and especially the fact that communication has been effectually cut off with Colonel Dennis, that I would be justified in opening communication with Riel if he appeared in this neighbourhood. I accordingly wrote the letter enclosed (4 B) and sent it to the Captain of the party in possession of the Hudson Bay Post. It reached him this morning; but up to the present time (5 P.M.) I have not heard of Riel's arrival, nor whether they have sent the letter forward to him.

Dr. Jackes, who belongs to our party, was sent for in great haste this morning by Mr. Rolette, Deputy United States Marshal, and one of our most bitter opponents here, for his professional aid. Rolette's wife was dying (in childbirth). The Indian midwife had given her up, and her relatives, some of whom had been threatening our lives, were now applying to us to save the life of Mrs. Rolette.

CANADA.

The Doctor hurried to her bedside, and, by the exercise of his skill, overcame the difficulty, and probably has saved her life. They all professed to be full of gratitude, and when the danger was over showed him a Proclamation, issued by Riel since the 1st December, in which he announces that the French have established a Government of their own, and intend to resist, by force if necessary, the attempt of any other power to impose one upon them. It denies the right of the Hudson Bay Company to transfer them to Canada, &c., &c. The Doctor could not obtain a copy, as Rolette had only one and would not part with it.

I beg again to express my opinion, that the suggestion I had the honour to make in my Despatch of 29th November, and more fully in previous letters to Sir J. A. Macdonald, is the only practicable plan for establishing the authority of the Dominion Government in this Territory.

I have, &c.,

The Hon. Joseph Howe,
Secretary of State, &c., Ottawa.

(Signed) WILLIAM McDUGALL.

(4 A).

MEMORANDUM.

Left Pembina on the morning of 11th December for St. Joe, 26 miles distant, for the residence of Mr. * * *, a half-breed born in Oregon, and a man of considerable wealth and influence amongst the half-breeds at St. Joe. He informed me that Mr. Gingras of St. Joe had, on the evening of the 10th inst., tried to get the half-breeds there to join the Red River insurgent party. He (Gingras) had agreed to raise a party of 130 half-breeds, and, with a portion of them, to drive Governor McDougall away from his house at Pembina. Mr. * * * treated the proposal with contempt, and tried to persuade Gingras not to attempt such a movement. These half-breeds at St. Joe are principally connected with those at Red River Settlement, and many of them were inclined to fall in with Mr. Gingras's plan. Mr. * * * believed that if there was any bloodshed at Red River Settlement, the Governor and his whole party would be in imminent danger and run the risk of losing their lives. Mr. * * * sympathized much with the Governor and his party, and declared his willingness to assist us in any way in his power. I ascertained from him that Mr. McKay, from Red River Settlement, was at a Mr. Charles Grant's, about seven miles distant from Mr. Dease's. I drove there to see him, and found he had brought his family, and had left the Settlement with the intention of remaining amongst his relatives at St. Joe during the present troubles. He informed me that fifty Canadians who were guarding Government provisions at the residence of Dr. Schultz at Fort Garry, were taken prisoners; that Dr. Schultz and wife, Dr. Bown, Mr. Mair, and Mr. Hallett were amongst them. Mr. Hallett was taken prisoner while endeavouring to procure some medicine for his wife. Mr. McKay also informed me that Colonel Dennis, on his arrival from Pembina, first called on him, and that he (McKay) advised him strongly not to incite the one portion of the population to take up arms against the other, and that one hundred of the principal French half-breeds had signed a document agreeing to allow the Governor to come in. He also stated that if hostilities were commenced and blood spilt, the lives of the Governor and his party would almost certainly be sacrificed. He said that other men of property and wealth in the Settlement held the same views and expressed opinions similar to his own. Mr. McKay intended to have called on the Governor at Pembina, but was overtaken on his way by a party of insurgents going to take possession of the Hudson Bay Company's Post at Pembina, and was forced to change his course and cross the *prairie* to St. Joe. He was under the impression that Colonel Dennis had gone to Portage la Prairie, and that Stone Fort was still held by the Indians and others under Colonel Dennis.

Pembina, December 13th, 1869.

(Signed) WILLIAM B. McDUGALL.

(4 B.)

(Private.)

SIR,

Pembina, December 13th, 1869.

I hear from the Hudson's Bay Post that you are expected to arrive there from Fort Garry to-night. I send this note to inform you that I am anxious to have a conversation with you before answering Despatches which I have recently received from the Dominion Government.

I have not yet had any communication from you or from any one else on behalf of the French half-breeds, who have prevented me from proceeding to Fort Garry, stating their complaints or wishes in reference to the new Government.

As the Representative of the Sovereign, to whom you and they owe, and, as I am told, do not wish to deny, allegiance, it is proper that some such communication should reach me. It will be a great misfortune to us all, I think, if I am obliged to return to Canada and hand over the powers of Government here to a Military Ruler.

This will be the inevitable result unless we find some solution of the present difficulty very soon.

I have full powers from the Government, as well as the strongest desire personally, to meet all just claims of every class and section of the people. Why should you not come to me and discuss the matter?

I beg you to believe that what occurred will not affect my mind against you or those for whom you may be authorized to speak.

RED RIVER SETTLEMENT.

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The interview proposed must be without the knowledge or privity of certain American citizens here who pretend to be *en rapport* with you.

I trust to your honour on this point.

Louis Riel, Esq.,

Very faithfully yours,
(Signed)

WILLIAM McDUGALL.

CANADA.

Enclosure 2 in No. 14.

Enclosure 2
in No. 14.

SIR, Ottawa, 3rd January, 1870.
I have the honour to transmit to you, for the information of His Excellency the Governor-General, Copy of a Despatch (No. 5), with seven Enclosures, from the Honourable William McDougall, C.B., dated Pembina, 16th December, 1869.

F. Turville, Esq., Governor's Secretary.

I have, &c.,
(Signed) JOSEPH HOWE,
Secretary of State for the Provinces.

(No. 5.)

SIR, Pembina, 16th December, 1869.
I have the honour to acknowledge the receipt of your Despatch of the 29th November. Events have occurred since that Despatch was written which, when the account of them reaches you, will justify, I think, the decision I have arrived at, to return as far as St. Paul, and communicate with you from that point.

The state of affairs at and near Fort Garry, which was described in my last Despatch (13th December) on the information of persons not much to be depended upon, is now substantially confirmed by the arrival last night and report of Colonel Dennis. He left the Stone Fort on Saturday morning at 2 o'clock, having ordered the payment and discharge, at noon of that day, of the persons who had volunteered to hold and defend it.

I enclose two short Reports ("5 A" and "5 B") which were, with other papers, safely brought to me by two of Chief "Prince's" messengers, two nights ago. I was on the look-out for the Colonel himself sooner than he promised, because I was satisfied his attempt to arrange a deputation to me from the leaders of the Riel party would fail. I detained the Indians as recommended, secreting them from observation as much as possible, and have found them of very great service. As I intend to start on my return journey to-morrow, I shall defer until I arrive at Fort Abercrombie, the communication of further details, which might, if known here, interfere with our future operations.

I enclose a Letter ("5 C") from Mr. * * *, who knows well the character and habits of the half-breeds of both origins. He has acted as guide to several expeditions into the interior, and was my guide from St. Cloud to this place.

As soon as I had decided to quit this neighbourhood I thought it prudent, in view of future possible questions and responsibilities, to write the enclosed Letter to Mr. McTavish ("5 D"), which I have committed to the custody of my faithful Indians, who will find the means to put it in proper hands.

We are still closely watched, and prevented from obtaining supplies from the Hudson Bay Company's Post. I have heard nothing in answer to my private Letter to Mr. Riel, and have no reason to believe that he will soon come near me.

I enclose ("5 E") a Copy of the Declaration of Independence, which was adopted on the 24th November, and printed on the 8th instant. Also ("5 F") a "List of Rights," which was distributed two or three days before the "Declaration," and produced a cooling effect upon many of those who had professed a day or two before a willingness to put down the Riel party by force of arms. As soon as it had served its purpose the "Declaration" was issued, and the English found themselves caught in a trap. In the mean time parties had been sent to all the important points, and the arms of the English-speaking Settlers were taken from them.

None of the messengers mentioned in your Despatch have yet arrived.

I have, &c.,
The Honourable Joseph Howe, Secretary of State, &c., (Signed) WM. McDUGALL.
Ottawa.

P.S.—Please find enclosed ("5 G") Copy of Notice issued by Colonel Dennis at the Stone Fort.

W. McD.

(Copy 5 A.)

Stone Fort, Red River Settlement, North-West Territory.
December 9th, 1869.

SIR, I beg to report my proceedings under the Commission which I had the honour to receive from you on the 1st instant, and would refer you to the accompanying record thereof, in which full details are given.

CANADA.

It is a matter of sincere regret to me to be obliged to express the opinion, deliberately given, that as a body the English-speaking portion of the Red River Settlement proper, in their present frame of mind, cannot be counted on in any measures of an aggressive character which may be necessary to put down the French party now in arms against the Government.

I shall remain here a few days longer, to be at hand should there be any prospect of arranging with the French to send a Delegation to you, of which, however, I have little expectation, and, on finding that no further object is to be gained by my remaining, will return to Pembina,

I have, &c.,
(Signed) J. S. DENNIS.

The Hon. W. McDougall, C.B.,
Lieutenant-Governor, &c.

(Copy 5 B.)

9th December, 1869.

MY DEAR MR. McDOUGALL,
I expect to learn this evening yet, finally, whether there is any chance of the Rebel party showing any disposition to send you a Delegation.

If satisfied that there is none,—that they have gone in fully for their new Government as an independent people, then I shall at once discharge the guard from this Fort, and leave for Pembina. This will be taken by Chief Prince's messenger, and he had better remain with his friends the Indians below Fort Pembina for a few days, till I get down, so that any Letters or Instructions may be carried back here for the guidance of the Canadians in the Settlement.

I shall be with you in a week, even supposing I delay to have an interview with the Rebel Council, as I should leave immediately after. Let this messenger wait therefore for a week at Pembina. You may rely upon it these people are fully in possession for the winter, and say themselves that, with the promises they have of Fenian and Filibusters' support, they will be able to hold the country. I should not be surprised but they may get many people here to join them too. I think they would do anything, many of them, rather than offend the French now (as they say) they see per "list of rights" that the French ask nothing very unreasonable.

Believe me, &c.,
(Signed) J. S. DENNIS.

The Honourable William McDougall,
Lieutenant-Governor.

(Copy 5 C.)

Red River, December 8th, 1869.

Your Excellency will no doubt learn from other sources the state and feelings of the English-speaking population of this Settlement just now. I should have written you before this time, but, I postponed the matter, as I at one time was made to believe that I should see you personally; but as matters stand at present, I am extremely sorry to inform your Excellency that I fear my prospects are hopeless. Since the past two days the people, I fear, have made a dead stop in taking any steps whatever. What their objects are I cannot say at present. I tried my best to get a force formidable enough to assist in carrying out Colonel Dennis's orders, but I fear the whole scheme will be a failure. Even among our English-speaking population we have to contend with worse characters than the French half-breeds, which I am sorry to inform you, but nevertheless too true. The Scotch Settlement won't join us or any other parish of the Protestant population, so that it would be the height of folly for us to take any aggressive steps, for we would be overpowered by numbers. We have in these two parishes all the disadvantages, both in numbers and arms. I think it is on no other foundation the people stand—for standing back is want of arms,—as a matter of course the half-breeds have taken possession of all our arms. However, if the people were willing, they could muster arms enough to put down the half-breeds, but they will not do it. The fact of the matter is they are cowards, one and all of them. Although they are my countrymen, I must speak the truth about them.

Colonel Dennis is writing you, and your Excellency will learn from him the present political state of affairs. I was sorry to hear of the accident to your son, but I hope he is better, and not suffering now.

Yours, &c.,
(Signed) * * * *

Will your Excellency allow me to remain,
His Excellency the Honourable W. McDougall, &c.,
Pembina.

(Copy 5 D.)

Pembina, 16th December, 1869.

MY DEAR SIR,
In consequence of the continued occupation of Fort Garry by the Insurgents, under Mr. Louis Riel, and the submission of the Local Authorities to his orders, and having no force at my command

to re-establish the supremacy of the law in that neighbourhood, I have determined to return as far as St. Paul, and await there the Orders of Her Majesty's Imperial and Canadian Governments.

I have not had the honour to receive from you any message or communication since your private Note of the 19th of November. The roads at this point have been so effectually watched and guarded by the Insurgents that I have not ventured to send to you any official or other communication that could, if it fell into their hands, betray the situation or give information or encouragement to them. I send this by the hands of Indians whom I have found loyal and faithful where so many others have proved the reverse. I have little doubt it will reach you safely.

I am advised by the Secretary of State for the Provinces that His Excellency the Governor-General has communicated to Lord Granville my Despatches up to the 9th of November, and has also telegraphed the more recent events, including, I presume, the occupation of Fort Garry by the half-breeds under Riel. I observe by a paragraph in the 'Montreal Gazette' that the Dominion Government have telegraphed their Agent in London to withhold the payment to the Hudson Bay Company of the purchase money agreed to be paid to them for the transfer of their rights in Rupert's Land. I have no official confirmation of this statement, but will not be surprised if it should prove true.

Under these circumstances, it becomes important to consider carefully the legal position of all parties in the present crisis. I venture to submit my views of the case as it stands in the North-West Territories.

If, in consequence of the action of the Dominion Government, the surrender and transfer of the Country did not take place on the first day of December, as previously agreed upon, then you are the Chief Executive Officer as before, and responsible for the preservation of the peace, and the enforcement of the Law.

If, on the other hand, the transfer *did* take place on the first day of December, then, I take it, my Commission came into force, and the notice in the form of Proclamation issued by my authority on that day, correctly, recited the facts and disclosed the legal *status* of the respective parties. I learn from Colonel Dennis that a Notice or Proclamation issued by me on the 2nd day of December, confirming and continuing all Public Officers in the duties and functions excepting (in the words of the Canadian Act, "the Public Officer or Functionary at the head of the Administration of Affairs") was duly printed and published in the Settlement, although it was reported here that the messenger who carried it forward was arrested, and his papers taken from him by Riel's party. You will observe by reference to the 5th Section of the Rupert's Land Act, that "until otherwise enacted by the Parliament of Canada" all the Powers, Authorities, and Jurisdiction of the several Courts of Justice now established in Rupert's Land, and the several Officers thereof, and of all Magistrates and Justices, are continued in full force, and by the 6th Section of the Canadian Act "for the temperate Government of Rupert's Land," &c., "all Public Officers and Functionaries holding offices in Rupert's Land and the North-Western Territory, with the exception already mentioned," shall continue to be "Public Officers and Functionaries of the North-West Territories, with the same duties and powers as before, until otherwise ordered by the Lieutenant-Governor."

My Proclamation of the 2nd instant, intended to notify all these Officers that I had not "otherwise ordered," and that by force of both Acts they still held and were bound to exercise their "powers," "jurisdiction," and "duties" as before. Whether the transfer has been delayed or not, I think it is clear that the present "Magistrates" and "Authorities" are still legally in office, and bound, as far as they can, to perform the duties of their respective offices, as before. In your case, the continuance of your powers and jurisdiction as Governor depends upon the transfer. If, as I am inclined to think, has happened, the Company surrendered, and Her Majesty transferred, on the 1st day of December, notwithstanding the events occurring on this side of the Atlantic, the gentleman who acted as Deputy-Governor, or would have assumed that Office under the laws of Assiniboia prior to December 1st will in my absence, and without special deputation by me, be and become the Chief Executive Officer of the Territories.

I have thought it my duty to explain to you, as I understand it, the legal position of affairs within the Territory at the present time. I do not know whether Judge Black will concur with me, but I trust you will show him this Letter, and be guided, as I have no doubt you will, very much by his view.

I notice that Riel, in his printed papers, speaks for a very large part of the earth's surface, as well as for all the people who now inhabit it. You will no doubt agree with me that he rules only the "Territory" within the range of his guns, and such "people" as take service in his ranks, or willingly submit to his orders,

W. McTavish, Esquire, &c.,
Fort Garry.

I am, &c.,
(Signed)

W. McDougall.

(Copy 5 E.)

DECLARATION OF THE PEOPLE OF RUPERT'S LAND, AND THE NORTH-WEST.

Whereas it is admitted by all men as a fundamental principle that the Public Authority commands the obedience and respect of its subjects. It is also admitted that a people, when it has no Government, is free to adopt one form of Government in preference to another, to give or refuse allegiance to that which is proposed. In accordance with the above first principle, the people of this country had

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obeyed and respected that authority to which the circumstances surrounding its infancy compelled it to be subject. A company of adventurers, known as the Hudson Bay Company, and invested with certain powers granted by His Majesty Charles II., established itself in Rupert's Land and the North-West Territory for trading purposes only. This Company, consisting of many persons, required a certain constitution, but as there was a question of commerce only, the Constitution was framed in reference thereto; and yet since there was at that time no Government to see to the interests of a people already existing in the Country, it became necessary for judicial affairs to have recourse to the Officers of the Hudson Bay Company. Thus inaugurated that species of Government which, slightly modified by subsequent circumstances, ruled this country up to a recent date. Whereas that Government thus accepted, was far from answering to the wants of the people, and became more and more so as the population increased in number, and as the Country was developed and commerce extended until the present day, when it commands a place among the Colonies; and this people, ever actuated by the above-mentioned principles, had generously supported the aforesaid Government, and gave to it a faithful allegiance, when, contrary to the laws of nations, in March, 1869, that said Government surrendered and transferred to Canada all the right which it had, or pretended to have, in this Territory, by transactions with which the people were considered unworthy to be made acquainted. And whereas it is also generally admitted that a people is at liberty to establish any form of Government it may consider suitable to its wants, as soon as the Power to which it was subject abandons it, or attempts to subjugate it without its consent to a foreign Power, and maintain that no right can be transferred to such foreign Power.

Now, therefore, first, we, the Representatives of the people in Council, assembled in Upper Fort Garry, on the 24th of November, 1869, after having invoked the God of nations, relying on these fundamental moral principles, solemnly declare, in the name of our constituents, and in our own names before God and man, that from the day on which the Government we had always respected abandoned us, by transferring to a strange Power the sacred authority confided to it, the people of Rupert's Land and the North-West became free and exempt from all allegiance to the said Government.

Second: That we refuse to recognise the authority of Canada, which pretends to have a right to coerce us, and impose upon us a despotic form of Government still more contrary to our rights and interests, as British Subjects, than was that Government to which we had subjected ourselves, through necessity, up to a recent date.

Third: That by sending an expedition on the 1st of November ultimo, charged to drive back Mr. William McDougall and his companions, coming in the name of Canada to rule us with the rod of despotism, without previous notification to that effect, we have but acted conformably to that sacred right which commands every citizen to offer energetic opposition to prevent his country being enslaved.

Fourth: That we continue, and shall continue, to oppose with all our strength, the establishing of the Canadian Authority in our country, under the announced form, and in case of persistence on the part of the Canadian Government to enforce its obnoxious policy upon us by force of arms, we protest beforehand against such an unjust and unlawful course, and we declare the said Canadian Government responsible before God and man for the innumerable evils which may be caused by so unwarrantable a course.

Be it known, therefore, to the world in general, and to the Canadian Government in particular, that as we have always heretofore successfully defended our Country in frequent wars with the neighbouring tribes of Indians, who are now on friendly relations with us, we are firmly resolved in future, not less than in the past, to repel all invasions, from whatsoever quarter they may come, and furthermore we do declare and proclaim, in the name of the people of Rupert's Land and the North-West, that we have on the said 24th of November, 1869, above-mentioned, established a Provisional Government, and hold it to be the only and lawful authority now in existence in Rupert's Land and the North-West, which claims the obedience and respect of the people; that meanwhile we hold ourselves in readiness to enter into such negotiations with the Canadian Government as may be favourable for the good Government and prosperity of this people. In support of this Declaration, relying on the protection of Divine Providence, we mutually pledge ourselves on oath, our lives, our fortunes, and our sacred honour to each other.

Issued at Fort Garry, this eighth day of December, in the year of our Lord one thousand eight hundred and sixty-nine.

(Signed) { JOHN BRUCE, President.
 { LOUIS RIEL, Secretary.

(5 F)

LIST OF RIGHTS.

1. That the people have the right to elect their own Legislature.
2. That the Legislature have the power to pass all Laws local to the Territory over the veto of the Executive by a two-thirds vote.
3. That no Act of the Dominion Parliament (local to the Territory) be binding on the people until sanctioned by the Legislature of the Territory.
4. That all Sheriffs, Magistrates, Constables, School Commissioners, &c., &c., be elected by the people.
5. A free Homestead and pre-emption Land Law.
6. That a portion of the public Lands be appropriated to the benefit of Schools, the building of Bridges, Roads, and Public Buildings.

RED RIVER SETTLEMENT.

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7. That it be guaranteed to connect Winnipeg by Rail with the nearest line of Railroad within a term of five years; the Land Grant to be subject to the Local Legislature.

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8. That for the term of four years all Military, Civil, and Municipal expenses be paid out of the Dominion Funds.

9. That the Military be composed of the inhabitants now existing in the Territory.

10. That the English and French languages be common in the Legislature and Courts, and that all Public Documents and Acts of the Legislature be published in both languages.

11. That the Judge of the Supreme Court speak the English and French languages.

12. That Treaties be concluded and ratified between the Dominion Government and the several Tribes of Indians in the Territory to ensure peace on the frontier.

13. That we have a fair and full representation in the Canadian Parliament.

14. That all privileges, customs, and usages existing at the time of the transfer be respected.

All the above Articles have been severally discussed and adopted by the French and English Representatives without a dissenting voice, as the conditions upon which the people of Rupert's Land enter into Confederation. The French Representatives then proposed, in order to secure the above Rights, that a Delegation be appointed, and sent to Pembina to see Mr. McDougall, and ask him if he could guarantee these Rights by virtue of his Commission; and if he could do so, that then the French people would join to a man to escort Mr. McDougall into his Government seat. But on the contrary, if Mr. McDougall could not guarantee such Rights, that the Delegates request him to remain where he is, or return till the Rights be guaranteed by Act of the Canadian Parliament.

The English Representatives refused to appoint Delegates to go to Pembina to consult with Mr. McDougall, stating they had no authority to do so from their constituents, upon which the Council was dissolved.

The Meeting at which the above Resolutions were adopted was held at Fort Garry, on Wednesday, December 1st, 1869.

Winnipeg, December 4th, 1869.

(5 G.)

ARMS.

To all whom it may concern.

Lower Fort Garry, Red River Settlement,
December 9th, 1869.

By certain printed Papers of a late date, put in circulation by the French party, communication with the Lieutenant-Governor is indicated with a view to laying before him the alleged rights on the part of those now in arms. I think that course very desirable, and that it would lead to good results. Under the belief that the party in arms are sincere in their desire for peace, and feeling that to abandon for the present the call on the loyal to arms, would, in view of such communication, relieve the situation of much embarrassment, and so contribute to bring about peace, and save the country from what will otherwise end in ruin and desolation. I now call on and order the loyal party in the North-West Territories to cease further action under the appeal to arms made by me; and I call on the French party to satisfy the people of their sincerity in wishing for a peaceful ending of all these troubles, by sending a Deputation to the Lieutenant-Governor at Pembina without unnecessary delay.

Given under my hand at the Lower Fort Garry, this 9th day of December, 1869.

(Signed) J. S. DENNIS,
Lieutenant and Conservator of the Peace
in and for the North-West Territories.

No. 15.

No. 15.

EXTRACT from a DESPATCH from Governor The Rt. Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G., dated Government House, Ottawa, Canada, 8th January, 1870. (Confidential.)

I send extracts from two Newspapers, the Toronto 'Globe,' and the Ottawa 'Citizen.' The latter is a Ministerial paper; the former bitterly the reverse, but very influential in Ontario.

Mr. McDougall has arrived in Canada, and is expected to reach Ottawa in a day or two.

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We learn from American sources that Dr. Tupper, who went up with Mr. Smith in order to bring his daughter back, is on his way home from Pembina, and, though we have no certain intelligence, the inference is that the envoys have been permitted to continue their route to Fort Garry.

EXTRACT from the Toronto 'Globe,' Newspaper, Dec. 31st, 1869.

THE NORTH-WEST.

It is no pleasant task to pass in review the recent policy of the Dominion of Canada towards the North-West Territory; yet, under the circumstances, it cannot be avoided. The original fundamental error of the Government lay, in ignoring altogether the opinions and feelings of the inhabitants of the Selkirk Settlement. The people may be divided politically into three classes: the Hudson Bay Company officials and adherents; the English and Scotch Settlers, with their half-breed connections; and the French, principally half-breeds. The Hudson Bay Company were naturally inclined to view with jealousy the introduction of a new order of things, forced upon them by Imperial Authority. The other two classes, although, in the main, favourable to Canadian Annexation, were jealously on the watch lest the new system should fail to give them the perfect right of self-government which they had been hitherto denied; and for the attainment of which they had gladly welcomed the change. The French were doubly jealous, however, inasmuch as some of them feared to be over-run by British Canadians, aliens to them in race and religion.

It is impossible to say whether the Ottawa Authorities had any sinister motives for so acting; whether they desired to parcel out the Lands of the Territory to suit their own purposes, without interference from its old occupants; but certain it is that they ignored the people of Selkirk altogether in the formation of the first Government. In spite of the warnings of the Opposition in the House of Commons, and of this Journal, they refused to introduce at once a Representative system of Government, and left the control of the affairs of the Territory, for an indefinite period, to a Governor and Council. In the selection of a Governor they were guided by motives of temporary political expediency; Mr. McDougall had answered all the purposes for which he was retained in the Cabinet, after the retirement of Mr. Brown; the elections of 1867 were carried by the Conservative party; Mr. McDougall had no friends in the House of Commons, and he not only was troublesome in matters of policy within the Cabinet, but his presence caused jealousy and ill-will among the Conservative followers of the Premier in Parliament. The time had arrived for getting rid of Mr. McDougall, and he was shunted off to the North-West, without consideration for the feelings of the people there. No one can deny that Mr. McDougall has some qualities of head which, under favourable circumstances, would render him a fair Governor; but one more unsuitable for the crisis could hardly have been selected. There is a considerable body of Reformers in the Settlement, who are the truest friends of Canada there; but no enthusiasm was excited among them by the presence of one whom they were accustomed to regard as a traitor to his party and the principles he formerly professed. As to the Hudson Bay Company's officials, unfriendly as they are to Canadian rule, there was nothing in Mr. McDougall's antecedents, character, or position, to recommend him to them; while to the French he was specially obnoxious, on account of the old quarrel about Manitoulin lands. Mr. McDougall's lack of frankness and *bonhomie* was an effectual stop to the removal of any of the prejudices, ill or well founded, which had been formed against him in the Settlement. His appointment was generally received in Canada with the remark, that if the people of the North-West were satisfied to receive him, we could have no objections, since we were about to get rid of him.

In the choice of a Council, the Government were equally unfortunate. They undoubtedly designed at one time to form it by the selection of two Representatives from the larger Provinces, two from Selkirk itself, and one each from the smaller Provinces. The Government organ at Ottawa openly defended this scheme when it was assailed by the Reform press. As it was, two Members of the Council, the Attorney-General, and the Secretary, one from Ontario, and the other from Quebec, were sent up with Mr. McDougall. Captain Cameron, Dr. Tupper's son-in-law, went up as a kind of Chief of Police, we believe, and it is to be presumed was intended to represent Nova Scotia. The Surveying party, which preceded the Governor and began work, was exclusively composed of Canadians; and, evidently, it appeared to the people of the Territory that every good thing in the gift of the new Government was to be absorbed by strangers, and that those who had penetrated far from civilization, and lived for forty or fifty years in the hope of attaining the blessings of self-government, were about to be placed under the control of a set of foreign officials, as grasping as those of the Hudson Bay Company. Let our readers in Ontario put themselves in the place of the people of Selkirk, and say whether they also would not have felt indignant when so treated.

It is unquestionably true that—whatever might be the motives of the Government, or the character of their proceedings—the people of Canada would never have tolerated any injustice being inflicted upon the people of Selkirk. The more intelligent people of the Settlement were well aware of the fact, and were willing, in spite of the errors of the Government, to receive Mr. McDougall; but their hands were weakened by those errors, and they have been compelled to succumb to the rule of the less intelligent and more headstrong.

The errors which marked the inception of the new Government are, however, less than those of its after progress. Without any intimation to Governor McTavish of his approach, Mr. McDougall was sent up to the Territory. If he had gone when first appointed in summer, he would have been comparatively well received, the half-breeds being then on the plains; but he waited to air his honours through Ontario, the buffalo-hunters returned, the causes of discontent festered and rankled in the minds of the people, and he was stopped at the frontier. Before he left Toronto, Mr. McDougall was

told what would happen if his Council was not better constituted than the Government journals proposed that it should be; but he disregarded the warning. Mr. Howé had been at Red River before him, and surely could not have failed to perceive the extent of the dissatisfaction which existed. There is a characteristic story told of him which shows that, at all events, some portion had come under his notice. It is said that a resident of Red River declaiming loudly against Confederation, appealed to him as one of its ancient opponents. "Yes," said the member for Hants, "I did oppose it, till I got a fat office, and so, I suppose, will you." The Government did not hold out to the people of Red River even a prospect of the fat offices which have so great an effect upon the opinions of the Howes of politics.

Mr. McDougall was stopped at the frontier, and then commenced a series of remarkable proceedings at Ottawa and Pembina. It had been agreed that, on the 1st December, the purchase money of the Territory should be paid over to the Hudson Bay Company, the Queen's Proclamation should issue, annexing the North-West to Canada; and that Mr. McDougall should on that day assume the duties of his Governorship. Mr. McDougall faithfully carried out the programme laid down for him. Although he was cooped up in the village of Pembina, unable to enter the promised land; although his subjects were in rebellion against his authority, and his messengers obliged to steal into his seat of Government under disguise, he boldly proclaimed the transference of the Territory to Canada, and claimed the loyal obedience of the inhabitants. But what, in the mean time, had been the course of the Government at Ottawa? While McDougall was issuing his Proclamation of the annexation of the Territory to Canada, they had put a stop to the annexation altogether!—they had prevented the payment of the money in England, and indefinitely postponed the issue of the Queen's Proclamation. We look upon this act as a wrong to Mr. McDougall; but, what is much more important, a great injury to the Dominion. It has been said by one Government Journal that, as Canada is purchasing the Territory, it is the duty of the Hudson Bay Company and the Imperial Government to give peaceable possession; but our claim has always been that the country has belonged to Canada since the Conquest, and that the payment of £300,000 is made to extinguish the claims which the Hudson Bay Company had acquired by temporary occupation. To ask the Hudson Bay Company to give us possession of the Territory, is to ask an impossibility—they have not men nor money enough at command. To ask the Home Government to put down the Insurrection, is to ask what will not be granted. The answer will be, "You did not wait for us to hand over the Territory; you sent in your Surveyors, and other officials, in the most injudicious way you could have chosen; the difficulties which exist, you have yourselves created—get out of them the best way you can."

This is the aspect in which the Government have placed us before the Imperial Authorities. But, in regard to the people of Red River, the position they have selected is still more disastrous. Counting upon the co-operation of the Government, Mr. McDougall issued his Proclamation, and called upon the loyal people of the Settlement to support this authority. But whilst preparing his organization, intelligence of the change of policy at Ottawa seems to have reached him. The proffered services of the loyal people of Winnipeg were declined, and the Insurgents allowed to pursue their career unchecked. The Territory does not belong to Canada; the Hudson Bay Company has ceased to govern, and Messrs. Bruce and Riel may hoist any flag they please without special charge of disloyalty being raised against them. A third of the series of Letters from a Hudson Bay Company source, which we publish to-day, expresses as strongly as ever the absence of any desire for annexation to the United States on the part of the Insurgents; and, in fact, the absence of any other desire except for union with Canada on fair terms. But the end of an insurrection cannot be predicted from the views of the actors at the beginning. The first Declaration of the American Revolutionists of 1776 was filled with expressions of loyalty to George the Third. We cannot, therefore, view without alarm the present position of affairs. The Ministry, apparently, have entirely abandoned the North-West for the time being. One of their Journals, in Kingston, declares that Canada does not want the Red River Settlement; that the idea of building a Pacific Railroad through British Territory is chimerical; and that the Territory can never be aught else than a bill of expense, with no prospect of future benefit. Another organ in Toronto, the 'Leader,' thus treats the matter:—

"BACK AGAIN—'The King of France marched up the hill, and then marched back again.' Mr. Albert Richards, with some members of Mr. McDougall's family, have already left St. Paul *en route* for Canada, the implacable half-breeds having refused to let them cross the border. Mr. McDougall himself is expected at St. Paul in a few days, and will probably be in Toronto next week. It would be a ludicrous affair altogether if it had not a serious side. But it will be all right when the trees begin to bud. Then Canada will own the Territory, and then, too, Mr. McDougall, or some one else, as Lieutenant-Governor, will surely exercise gubernatorial powers in the new Territories. Till then Bruce, Riel, and Co., may make high carnival unmolested."

The actors in the scenes of the last two months have certainly placed themselves in a position ludicrous enough, but we can not find it in our hearts to laugh at folly which has endangered the future of this country. Mr. McDougall's position may furnish many a merry jest for boon companions at Ottawa; but the people of Ontario cannot view without indignation and alarm the fair hopes of securing the North-West Territory for themselves and their children blasted by the recklessness and incapacity of their rulers.

The policy of abandonment, of relinquishment of the Territory for an indefinite period, will not satisfy public opinion. The Government selected a bad Governor and a bad Council to carry out a bad system. A portion of the people of Red River have committed grave errors, but the Ottawa Government were the first to do wrong, and ought to be the first to acknowledge it, and make restitution. When Mr. McDougall's progress was stopped at Pembina, we pointed out that it was the duty of the Government to recall him, and send up in his place a British Officer of rank and position, who would command the respect of all classes of the people.

That was our advice six weeks ago, and it would have been well if it had been followed then. It is

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our advice still. Judging by the communication published to-day from one who understands, and is, to a certain extent at least, in sympathy with the disaffected at Red River, a British Officer, empowered to listen to the complaints of the people at Red River, and to grant redress—subject, of course, to the decision of our Parliament—would be willingly received, and all danger would be passed. To leave the matter as it is until spring, with all the dangers that may intervene in the meanwhile, is, in the last degree, unwise. Enough mistakes have already been committed. We sincerely hope the Government will acknowledge these errors in the past by adopting a very different policy in the future.

From the 'Ottawa Citizen,' Jan. 6, 1870.

We give elsewhere an article respecting the Red River difficulty, which appears to be written in a fairer and more moderate spirit than most of those which have appeared. The reports have been, as our readers would see for themselves, contradictory, and for the most part written from an American point of view, and therefore by no means too favourable to Canada. Whilst we have published most of the statements that have appeared, we have felt it necessary to warn our readers that they ought not to be accepted implicitly. Many or most of them resemble the story of "The Black Crows," which had for its foundation "as black as a crow."

In the large number of articles and letters that have been written respecting the Red River trouble, some grains of truth have no doubt been mingled; the difficulty has been to separate the wheat from the chaff. We have ourselves abstained, in the present state of affairs, from any remarks calculated to throw difficulty in the way of the negotiations now going on with the inhabitants of Red River. In the absence of positive information, it is difficult to arrive at any satisfactory conclusions respecting the origin and extent of the difficulty, and the claims of the Insurgents. The Members of the Government are particularly reticent with respect to Red River matters, and evidently desire to preserve a discreet silence during the progress of the pending negotiations. It might be as well, perhaps, if the press were to observe the same caution. A little patience and discretion now may save a vast amount of trouble hereafter. When Parliament meets the whole matter will, no doubt, be thoroughly investigated. Meantime, it is the part of prudence, as well as of patriotism, to refrain from any utterances which might hamper the action of the Government, or tend to increase the irritation which prevails amongst a considerable section of the inhabitants of Red River.

THE RED RIVER TROUBLE.

From the 'St. Paul Despatch,' 31st.

Governor McDougall, appointed by the Dominion Governor of the Red River Country, his Commission dating December 1st, reached this city at 1 P.M. to-day, on his way from Pembina to Ottawa, having been unable to assume the duties of his office. He was accompanied by Colonel Dennis, Surveyor-General of the Territory, and Alexander Begg, an officer of the Canadian Customs. The party left Pembina on the 19th, and had a comparatively comfortable journey.

A representative of the 'Despatch' promptly called upon the Governor to learn his version of affairs in the politically tempestuous country from whence he came. Governor McDougall is a tall, large-framed man, of commanding appearance, and evidently an able gentleman. He received our reporter cordially, and, in reply to an enquiry relative to his side of the difficulty, said he had not much to report, as his duty was to state the situation to his Government, and there was much he would not be justified in now making public. A very entertaining conversation followed, wherein he gave an interesting statement of affairs, of which we give an outline.

He characterized the reports sent by the correspondents at Pembina as false in many respects, and said they were mainly gotten up by Enos Stuttsman and Joseph Lemay, who were really in the insurrection over the border, though Americans, and living on American soil. All manner of false reports were circulated among the Red River half-breeds, to induce them to take up arms against him. Among other ridiculous reports, was one that he had killed two priests on his way up, and had insulted the Pope and Bishop Taché, two personages he says he never saw. The Catholic Priests used their influence against him, and more than all gave a practical turn to the Rebellion.

He was accordingly met by a delegation when he reached the Border, and informed he must not enter the Territory. When he did enter, he was met by a party of twenty armed horsemen, who made him a prisoner and escorted him back. All was done very politely, no insulting language being used. The Governor said he was not, of course, prepared to use force. His party consisted of non-combatants, there being ladies among them, and also gentlemen visiting the country, having no connection with the Dominion. He had, accordingly, no alternative but to return to the American side.

He considers that the real origin of the difficulty lies in the fact of the dissatisfaction of the Hudson Bay Company's agents in the Red River Territory with the division of the profits, made by the Officers of the Company in England. This has existed for some time, and has been a source of controversy. The English Officers finally sold their interest in the Territory to the Dominion, without in the least consulting their Agents at Winnipeg. The Dominion knew only the officers in England in the trans-

fer, and could, of course, have no official communication with the Company's Agents in the country itself. He admits that the English Officers erred in not consulting their Agents at Red River, but this was a matter over which the Dominion had not control.

In addition to this, the priesthood of the Territory were fearful that the change of Government would be disastrous to their spiritual power, that the half-breeds, so fully under their control, would be crowded back, and a different class of Settlers be introduced. Designing men, ambitious of political power, made use of these agencies to stir up the revolt.

The Governor gives Colonel Stuttsman, of Pembina, credit of having organized the Insurrection, and says he is really the brain of the movement, and Riel's documents are sent to him before they are issued for revision. When the Governor was captured, Colonel Stuttsman was present in a buggy, counselling and directing the movement. The Governor talked with his captors, stating his intentions, &c., and they were inclined to allow him to proceed to Fort Garry, but, after gathering at the village with Stuttsman, adhered to the original order of expulsion. Stuttsman's connection with the affair is entirely open and unconcealed.

The English and Scotch Settlers sent the Governor word that, if he would so direct, they would take up arms, and put down the Insurgents. The Governor shrank from taking the responsibility of causing bloodshed among former friends and neighbours, and argued that, as no troops could be brought there this winter, all efforts should be to prevent violence.

He did send Colonel Dennis to advise with the friendly Settlers and see what could be done. If the difficulty could be overcome by a show of authority, he was anxious it should be, but did not wish to precipitate a conflict.

With this end in view, Colonel Dennis organized an armed force of about 150. He armed fifty of what the Governor said were improperly called Swamp Indians, but who, he alleges, are civilized, and living on and cultivating farms. These Indians were placed in possession of the Stone Fort, and told to hold it, but instructed not to go outside. Colonel Dennis had a small printing press, and issued a proclamation from the Fort.

Heretofore the Insurgents had made no statement of what they desired; but, in view of this situation of affairs, they published what they called a Bill of Rights. Many, in fact most of their requests, would have been complied with by the New Government, if it had gone into operation, and knowing this, Colonel Dennis arranged for a conference between them and Governor McDougall. He ordered the Indians to disband, and return to their homes. Some Sioux Indians, who were engaged in the Minnesota massacre and fled across the Border, learning that there was no danger of annexation, offered their services to Colonel Dennis, but he very positively declined their aid.

When, by this strategy, the supporters of Governor McDougall were off their guard, they were taken prisoners, some fifty in number, and taken to Fort Garry, where nearly all are still held in confinement. Colonel Dennis both entered and left the Territory secretly, and at one time was within twenty feet of General Riel, but, being unknown, was not captured.

Learning, as he supposed according to Colonel Dennis' arrangements, that Riel was coming down to meet him, Governor McDougall sent him a private note inviting an interview. It proved that he was not on the way down; but the note reached Riel at Fort Garry, and though he had had it a week when the Governor left, he had deigned no reply whatever.

It was the programme of the malcontents throughout to prevent any conference with the Governor, as they feared that an explanation would result in their overthrow. Those who came individually said they did not think the leaders of the movement would object to his assuming control, if they understood his intentions.

In reply to our enquiry, relative to the annexation feeling, the Governor said he did not think it existed to any extent. Stuttsman was anxious to bring that about, and he thought General Riel was similarly inclined; but the priests, who really have more control than either, were opposed to it, because it would be disastrous to their power, as though they were governed by the Dominion.

All the American officials at Pembina were uncivil and discourteous, except the Deputy Collector of Customs, Mr. Nelson. The Postmaster was notoriously in the interests of the Insurgents, and tampered with the mails.

The Governor said, with a quiet twinkle in his eye, that there had been some remarks in relation to his remaining upon American soil, but he did not know what the people of Maine would say if residents of Canada should conduct an insurrection over the Border. He did not think it would be international courtesy. He said, of course, he did not hold the Government responsible for the acts of a few individuals.

Another trouble was that all the Local Authorities were in sympathy with the Insurgents. The Sheriff was one of the prominent movers, and no legal steps could be taken to put down the Insurrection, though there were never more than 150 men under arms at one time.

Governor McTavish's illness prevented his doing anything, though it is claimed that he would have been unable to have quelled the trouble if he had been well.

When the news reached the Governor that his Government declined to complete the purchase of the Territory while it was in insurrection, it placed him in a position where he felt that he had no authority to proceed further. His situation at Pembina being extremely unpleasant, he resolved to return, report the situation, and ask further instructions of the Dominion Government.

As one of the results of this difficulty, he said the Dominion would abandon all idea of trade in this direction over our railroad lines, but would be obliged to incur more expense than had been intended, and open routes through their own Territory. He had made a contract with Mr. Simmons of the North-Western Telegraph Company, to construct a line of telegraph to Fort Garry next summer, but that would not now be done.

The Governor thinks all will be settled by spring. He met Governor Smith going up as he came down, and also Vicar-General Thibault.

Governor Smith is sent by the Hudson Bay Company to succeed Governor McTavish, and endeavour

CANADA. — to settle the trouble. The Vicar-General will urge the priests to change their course, and portray the consequences which will result from a continued revolt. These efforts, the Government thinks, will be successful.

Governor McDougall joined his family in this city, whose previous arrival had been noted, and is stopping at Park Place Hotel. He will remain here till some time next week, and is awaiting the arrival of baggage from Pembina, when he will leave again for Canada.

No. 16.

No. 16.

VERBATIM COPY of a TELEGRAM from the Hon. JOHN YOUNG, Ottawa, to
The EARL GRANVILLE, Colonial Office, London, England.

Ottawa, 2nd February, 1870.
(Received 2nd February, 1870.)

Rumours through American sources and private Letters from Fort Garry say that Riel has been deposed, and the old Hudson Bay Company's Government reinstated.

No. 17.

No. 17.

Copy of a DESPATCH from Governor the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.M.C.G., to The EARL GRANVILLE, K.G.

25th Dec.,
1869.

(30.)

Government House, Ottawa, Canada,
February 9th, 1870.

2nd Feb.,
1870.

MY LORD,

(Received 24th February, 1870.)

1. I have the honour to forward herewith copies of further communications with reference to the North-West Territory, which complete the correspondence down to the present date.

2. The Letter of the 24th December, from Mr. Howe to Mr. McDougall was despatched by a special messenger. A day or two, however, after he had left Ottawa, the Government received news of Mr. McDougall's departure from Pembina. The Messenger was therefore recalled by telegraph, and the Letter handed to Mr. McDougall on his arrival here.

3. This Letter, as your Lordship will perceive, expresses strong disapproval of certain acts of Mr. McDougall. In justice, therefore, to that gentleman, I kept it back until I could send you his reply along with it. But the Ministers inform me that Mr. McDougall has not yet made any reply. Probably, he is reserving his statement for what he deems a more fitting opportunity. However this may be, I feel that I can no longer delay sending the correspondence to your Lordship.

4. I also enclose a Copy of a portion of the former Correspondence, which the Ministers have published through the Papers; and extracts from Papers which give an account of the proceedings at Fort Garry on the 19th and 20th January. A further Meeting was to be held on the 25th January, but we have not yet received the account of it.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.
(Signed) JOHN YOUNG.

Enclosures in No. 17.

The SECRETARY of STATE for the PROVINCES, to the GOVERNOR-GENERAL'S SECRETARY.

SIR,

Department of Secretary of State for the Provinces,
Ottawa, 25th December, 1869.

I have the honour to transmit, for the information of His Excellency the Governor-General, Copy of a Despatch addressed to the Honourable William McDougall, C.B., on the 24th instant.

J. Turville, Esq., Governor's Secretary,
&c. &c. &c.

I have, &c.,
(Signed) JOSEPH HOWE.

Department of Secretary of State for the Province,
Ottawa, 24th December, 1869.

SIR,

Your Despatch, dated Pembina, 2nd December, and its Enclosures, A and B, reached this office on the 18th instant, and were promptly laid before the Governor-General and Council.

As it would appear, from those documents, that you have used the Queen's name without Her authority, attributed to Her Majesty acts which she has not yet performed, and organised an armed force within the Territory of the Hudson Bay Company without warrant or instructions, I am commanded to assure you that the grave occurrences which you report have occasioned here great anxiety.

The exertion of Military force against the misguided people now in arms, even if under the sanction of law, was not to be hastily risked, considering the fearful consequences which might ensue, were the Indians—many of them but recently in contact with the white inhabitants of the neighbouring States—drawn into the conflict. But, as the organization and use of such a Force by you was, under the circumstances, entirely illegal, the Governor-General and Council cannot disguise from you the weight of responsibility you have incurred.

Acting on the belief that the country would be quietly transferred, with the general assent of the inhabitants, all the preparatory arrangements were made, as you are aware, in anticipation that on or about the 1st of December the Territory would be surrendered by the Company to the Queen; and that, thereupon, Her Majesty would issue Her Proclamation, *fixing a day for the union of the country with Canada.*

The Proclamation, when officially communicated to you, would enable you, under the commission and authority given in anticipation of that event, to enter legally, *upon the appointed day*, on the discharge of your official duties as Governor of the North-West.

In the Commission, issued on the 28th September, you were empowered to enter upon the duties of government only “on, from, and after the day to be named” in the Queen's Proclamation; and in the Instructions handed to you with the Commission, you are directed to proceed to Fort Garry and “be ready to assume the Government of the Territories on their actual transfer to Canada.”

That you clearly understood this limitation of authority was hoped from your Letter from Pembina, of the 7th November, addressed to Governor McTavish, and communicated to this Department, in which you say, “I shall remain here until I hear officially of the transfer of authority, and shall then “be guided by circumstances as to what I shall say and do;” and, because in your Letter of the 14th November, addressed to this Department, you thus refer to some injudicious proposal made by your friends:—“The recommendation that I should issue a Proclamation is not made for the first time; “but I have uniformly replied that, until the transfer of the Territory has taken place, and I am “notified of the fact, I shall not assume any of the responsibilities of government.”

The peaceful surrender of the country was assumed throughout the negotiations, and this Government never claimed, or pretended to exercise, any authority within the North-West, until invested with the Sovereignty by the terms of the Queen's Proclamation.

The transfer of the Territories would, no doubt, have been proclaimed on or about the 1st day of December, had not your Report of the 31st October, and the Documents which accompanied it, changed the whole position of affairs, and thrown upon this Government grave responsibilities of a very novel character. In those Papers you represented that serious obstruction had been opposed to your entrance into the country; that a large number of persons were opposed to the establishment of the authority of the Dominion; that a Provisional Government had been formed, and the roads barricaded and guarded; that some of the “Catholic Clergy” were openly abetting these movements; and that the Officers of the Hudson Bay Company, if not aiding the revolutionists, were unable to control them.

Your Despatch was received here on the 19th November; and, on the 26th, those of the 5th and 17th November came to hand, from which it appeared that the insurrectionary movements still continued without check; that the Hudson Bay Officers were powerless; and that you had been driven out of the country.

The facts disclosed in those Despatches entirely changed the basis upon which the negotiation—in perfect good faith upon the part of the Dominion—had, up to that time, been conducted with the Hudson Bay Company, and with the Imperial Government.

If, with those facts before them, the Canadian Government accepted the responsibility of governing, or rather of assuming the Government, a country that could only be recovered by conquest, at a vast distance from the base of operations, and which, for many months, could only be approached through the United States, they could hardly justify an act of such precipitancy to Parliament and the country; while it was equally clear that, if you were invested with the legal title to govern without being able to get into Rupert's Land, or exercise any authority, the revolutionary government would be strengthened by your weakness, and would, in fact (the Proclamation having superseded Governor McTavish), be the only Government in the Territory till put down by the force of arms.

It was a matter of necessity then, rather than of choice, to delay the issue of the Queen's Proclamation, and it was assumed here that the necessity would be as apparent to you as it was to the Privy Council.

To postpone the surrender by the Company until it was able to transfer not only its own rights but the Territory itself to Her Majesty, to stay the issue of the Queen's Proclamation, and to leave with the Hudson Bay Company and the Imperial Government the obligation of enforcing order, and asserting the rights of the Sovereign, was the first duty of this Government, and the Governor-General and Council had hoped that this would be as obvious to you as to them.

They had another duty, and to that they addressed themselves without delay. It was to disabuse the minds of the people of Rupert's Land of the erroneous impressions under which there was too much reason to fear that they had acted, and to restore tranquillity by peaceful means. The measures

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taken with this view were explained to you in my Despatches of the 19th and 29th November, and of the 7th, 8th, 10th, 11th, and 17th December. In none of these Despatches will there be found any warrant or authority for the proceedings reported in your Despatch of the 2nd December. It is to be regretted that they had not reached you sooner, but the sanguine hope is entertained here that if no collisions have taken place, or blood been shed, till you have read those Despatches, and conferred with the gentlemen who have been sent to the Red River, matters may yet wear a more cheerful aspect, and the government of the Territory be assumed with some guarantee for order, and with all the formalities of law. Whether this hope is realised or not your duty is plain, and I am commanded by His Excellency to instruct you to remain at Pembina until you can get peaceable access to Fort Garry, with the assent and under the protection of the Hudson Bay Company's authorities, that you are to take every means of removing the misapprehensions that exist in the minds of the residents, by explanation and otherwise, and that you are to exercise no acts of authority on behalf or in the name of the Government of Canada until officially informed that the Queen's Proclamation has issued, and until you shall have assumed the Government and taken the oaths of office, on or after the day fixed in it for the union of the countries.

As the course of action proposed by you in your Despatch of the 2nd of December was to be carried out before an answer could possibly reach you, I have delayed replying for some days, in order to learn, if possible, the result of your policy; but the receipt of your Despatch of the 6th instant, which reached me on the 23rd, with its enclosures 2 A, 2 B, and 2 C, and the course taken by Colonel Dennis, as described in those papers, make it necessary without further delay to send this Despatch by a special messenger.

I wish I could inform you that this Report had entirely relieved the Governor-General and Council from the anxiety already expressed. It is true that no blood had been shed up to the 6th, and you had not carried out your intention of occupying the stockade near Pembina with an armed party; but the proceedings of Colonel Dennis, as reported by himself, are so reckless and extraordinary that there can be no relief from solicitude here while an officer so imprudent is acting under your authority.

Had the inhabitants of Rupert's Land, on the breaking out of the disturbances, risen and put an end to them, or had Governor McTavish organised a force to occupy his forts and maintain his authority, all would have been well, and Riel and his people would have been responsible for any bloodshed, or property destroyed. But Colonel Dennis, with no legal authority, proceeds to seize a fort then in possession, not of the insurgents, but of the Hudson Bay Company, and to garrison it with a mixed force of whites and Indians, and proposes to give battle to the insurgents, should a junction be formed with some forces which he has ordered to be drilled on the Assiniboine. He appears never to have thought that the moment war commenced all the white inhabitants would be at the mercy of the Indians, by whom they are largely outnumbered, and, divided as they would be, might be easily overpowered.

It is impossible to read the Colonel's account of his attempt to persuade Judge Black to aid him in proclaiming martial law without strong feelings of regret that you should have been represented in the settlements by a person with so little discretion. It is no wonder that Judge Black was "frightened" at the proposal, as he must have known that Colonel Dennis would have to answer at the bar of justice for every life lost by such an assumption of authority, and that the illegal seizure of an American citizen, would at once provoke interference in the quarrel and lead to very serious complications,

I have, &c.,
(Signed)

JOSEPH HOWE.
Secretary of State for the Provinces.

Hon. Wm. McDougall, C.B., Pembina.

(No. 8.)

SIR,

Ottawa, 20th January, 1870.

I have the honour to transmit herewith the Report of Col. Dennis (A 8), detailing his proceedings in the Red River Settlement from the 1st to the 10th December, under instructions from me, which I supposed I had authority under my commission to issue. The copies of the papers referred to in this Report did not reach me until yesterday, in consequence of the illness of Col. Dennis, from an injury he received on his journey from Pembina.

I have also received and enclose herewith (B 8) Colonel Dennis' final Report, detailing the arrangements he made for storing and disposing of the supplies, &c., collected at the Stone Fort, and his visit to the Sioux, who were said to be making preparations for war on their own account.

I have, &c.,

The Hon. Joseph Howe, Secretary of State
for the Provinces.

(Signed) WM. McDOUGALL.

&c., &c., &c.

(A 8)

Record of Proceedings under Commission from Lieutenant-Governor McDougall, dated
1st December, 1869.

Wednesday, December 1st.

Arrived at Mr. William Hallett's, on the Assiniboine, at five o'clock A.M. Sent messengers for Mr. James Mackay and Mr. Robert Tait, with whom and Mr. Hallett discussed the present situation of affairs in the Settlement. Read them the Proclamation of 1st December and my Commissioners. Explained to them that my orders from Mr. McDougall were to ascertain the state of feeling at the present time among the loyal people, and should it be found such as to warrant the belief that an appeal with a view of organizing a force to put down the malcontents would be responded to in such a manner as to leave little or no doubt of a avourable issue, I was to make such an appeal, organise a force, and put down the outbreak. On the other hand, should there be any doubt in my mind as to the result, I was not to make any call, but return to Pembina and report accordingly.

Learned that the English-speaking delegates were to attend a meeting of the French Council called for to-day, to make known the result of a reference to the several parishes of the French proposition to form a Provisional Government. It was said this result would show a majority of some hundreds over the French party. Mr. Tait said he intended being present at the meeting, and I gave him a copy of the Proclamation, with the understanding that he would have it read on the occasion.

Mr. Hallett was decided in his opinion that the English-speaking people would now eagerly turn out to put down the *emeute*. The other two gentlemen agreed with him that the people were not disposed to tolerate any longer the rule of that party, but feared the result of any appeal to arms would be certain ruin to men of property, whose stock, crops, &c., the French would be sure to destroy. They admitted at the same time, that there would be no other course open if the French insisted on establishing their Provisional Government.

The interview at Mr. Hallett's over, Mr. Tait drove me down to the town of Winnipeg.

I found Dr. Schultz and the rest of the loyal party in the village, in a condition of much anxiety in regard to the immediate future. The French party had, a day or two previously, pointed two six-pounder guns on Dr. Schultz's house, and the men stood with port-fires lit ready to fire into his premises, in consequence of the Doctor's refusal to hand over to Riel's possession the provisions in his charge belonging to the Canadian Government. Riel, however, thought better of it, and finding that the Doctor was not to be intimidated, withdrew the guns.

Public feeling was in a very excited state. Both printing offices had been seized, and were in possession of Riel's party; Mr. Grant, however, of my office, aided by a number of other Canadian gentlemen, made a lot of manuscript copies, which were distributed during the afternoon and evening, some being despatched to Prairie Portage and others posted up in the town of Winnipeg.

Called on the Bishop, Archdeacon McLean, Mr. James Ross, Rev. Mr. Black, Judge Black and others, in the Lower Settlement. Mr. Rose and the Rev. Mr. Black, of Skidmore, were not in when I called, nor did I see Judge Black, who was up at Fort Garry. * * * * *

I learned that Major Boulton, of Mr. Hart's surveying staff, had been in communication with these gentlemen; that men had been enrolled and had commenced to drill at several places in the settlement.

I met, at the Rev. Mr. Gardiner's, in the Parish of St. Andrews, Archdeacon Cowley of St. Peter's, below the Stone Fort. Both these gentlemen had previously given proof of a strong desire to assist in bringing in and establishing the Government. Their opinion agreeing with those previously expressed; and furthermore, having had the assurance from Mr. William Dease, who represents the loyal French, at whose house I passed a couple of hours last evening on my way to Fort Garry, that over ninety men of that party could be relied on to fight alongside of the loyal English and Scotch for the establishment of order, I concluded it to be a duty under my commission to make the call, satisfied that there was every prospect that it would be very generally responded to. I may say here that in answer to my question, Mr. Dease informed me that he did not think that the reliable men in Riel's party would exceed three hundred in number.

Under the conviction that the Insurgents would seize upon the Stone Fort, so soon as my arrival in the Settlement, and the nature of my orders became known, I proceeded on to that point, arriving about 6 o'clock P.M. A guard was raised for the night through the exertions of * * * a few other loyal people, who sent messengers through this part of the Settlement. The locality, considering the short notice, turned out very well. The parish of St. Peter's particularly, in which the people consist for the most part of civilized and christianized Indians, under the Rev. Archdeacon Cowley and Mr. Cochrane, and who acknowledged Henry Prince as their Chief, were prompt in responding. By the morning there were about 120 men in the Fort, a majority of whom came from below. A number of young men, some forty in all, had been in the habit for several days back of assembling for drill in one of the Company's stores here; the drill-instructor being Mr. William Durie, a Military School Cadet, also of Mr. Hart's surveying party, who had been working in this part of the Settlement. These men also had remained in the Fort for the night. I read the Proclamation, having assembled those in the Fort for the purpose, which was well received, and also explained the object of the present call upon them, and desired that they should make the same known as widely as possible.

Thursday, 2nd December.

I find that many of the men are deficient of arms, and those who have arms have only the trading gun. Have sent requisitions to whatever points I have reason to believe arms are to be obtained, but anticipate that before sufficient can be had will have to send from house to house through the Settlement.

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Despatched a messenger to Mr. Hart and party to cease surveying operations, and join me to assist in organising. Reported my arrival and occupation of the Stone Fort to Governor McTavish, mentioning the object of such occupation, and enclosing him also a copy of my Commission. Communication with the officer named is with much difficulty effected, as no letters are permitted, if known, to pass in or out of Fort Garry.

Sent for Major Boulton, who has been very active lately assisting the people to organise, and gave him definite instruction as to enrolment. With his aid, together with that of Mr. Inkster for St. John's, Mr. Gardiner for St. Andrew's, Mr. Bunn for Mapleton and St. Peter, divided the parishes into Company districts, fixing the central points in each for meeting to drill.

Some twenty-one Canadians reported themselves in a body from the town of Winnipeg this evening, and enrolled their names. They tell me the Canadians in the town number about thirty, and are all anxious to serve. I have therefore instructed Dr. Lynch, a Military School Cadet, to enrol a company in Winnipeg, to be made up of Canadians and other men in the vicinity. As the Canadians are all more or less acquainted with drill, I directed Dr. Lynch simply to organise, and then let the men remain quietly in their usual lodgings until further orders. Their presence there in that way, having fully instructed them to avoid being any cause of offence to the French, it seemed to me could be no cause of irritation, and the knowledge that they were there might tend to prevent any outrage on person or property of loyal people in the town. The enrolment here I placed under Mr. William Dwire, and charged Mr. A. N. Muckle, Military School Cadet, with that duty in the upper part of St. Andrew's and the north end of St. Paul's. Kildonan and the south end of St. Paul's I entrusted to Mr. Cowland, an English volunteer officer.

Judge Black was with me for several hours during the day.

Sent Captain Webb, a Canadian volunteer officer and M.S.C., who was surveying up the Assiniboine, full instructions to cease surveying, and with the staff of his party, who are all cadets, proceed to Prairie Portage and organise a force of four companies there. When organised, equipped, and provisioned, to advise me express and await orders—drilling industriously in the meantime.

Assembled Chief Prince's men in the Fort to-day. * * * * * The Proclamation was read and explained by * * * to the men in Indian; it was also read in English, many of the men having a fair understanding of that language; after which I explained, as interpreted by * * * the manner in which the country had become connected with Canada, and the object of the incoming Government. They all seemed loyally disposed, cheering heartily for the Queen, and those of them who had guns firing them off with evident enthusiasm.

Knowing the views of the Lieut.-Governor to be opposed to the employment at the present time of the Indians in putting down the Insurgents, and such being my own feelings also, while at the same time it would not be politic to dampen the dawning loyalty of these men by refusing their services entirely, I made the Chief select fifty of his best men to come into the Fort as a guard. I have explained to him that neither he nor his men will be called upon to fight excepting in case the Fort is attacked, and as he is an intelligent man I made him acquainted with the reasons. He expressed himself as perfectly satisfied, and left me with his pride evidently gratified by being entrusted with the service. The rest of his men I paid and sent home, having thanked them in the name of the Government for their promptness in turning out.

Wrote to the Lieutenant-Governor (see letter to him of this date). Mr. Dease and Dr. Schultz were with me during the evening. Mr. Dease still sanguine as to the stand which will be taken by the loyal French.

The printing presses in the town remaining in the armed custody of the French, sent Mr. Laurie, a practical printer, up to Winnipeg for a small hand press and type, lent by Dr. Schultz.

Friday, December 3rd.

Made inspection of the Fort, investigating contents of magazine, &c. Ordered removal of some large Hudson Bay boats, which had been laid up for winter, close to outside of Fort walls. Directed bastions to be cleared out. Made working drawings of a sled for mounting a brass six pounder gun found in a corner of one of the stores. Gave order for this sled to be built by Mr. Avel, the Company's engineer at Lower Fort.

The return of men enrolled in the several parishes, giving a satisfactory assurance that the requisite force would be raised, I gave orders for the delivery of beef and other supplies to be stored in the Fort. Mr. Hart, P.L.S., an excellent man of business, was appointed quarter-master, and entered at once upon his duties. The hand printing-press having arrived this morning, Mr. Laurie set up and printed the Proclamation, a number of which were at once distributed through the Settlement.

There would appear to have been a good deal of excitement in the town of Winnipeg last night, judging from a note received from Dr. Schultz, in which he states that his premises were entered about midnight by Riel, with twenty-four men; but having delayed a few hours at Mr. John Tait's on his way up, he thus escaped being made prisoner. He states also that search was made throughout the town for Dr. Brown, but Brown had escaped, and was in hiding, where no one appeared to know.

About the middle of the day, Dr. Brown arrived, in company with Mr. Stewart Mulkins, of my office, in a room over which he (Brown) had been concealed during last night, and had escaped detection, although the premises had been searched by Riel and his party.

Wrote Dr. Schultz that the Canadians in Winnipeg were to keep perfectly quiet, and remain in their lodgings, and not to invite either by word or deed, any attack from the French; to bear

even insult without resenting it, not to fire upon any of the insurgents without being first fired upon. I represented to him that a collision at present would, in consequence of our not being fully prepared, possibly result disadvantageously.

Wrote Governor McTavish, asking orders to receive such arms as were at the following posts of the Company, viz., 1st. Fort Alexander; 2nd. White Horse Plains; 3rd. Prairie Portage; 4th. Oak Point, Manitobah. In the evening received his reply, marked "B."

Received numerous calls from people in the Settlement, expressing a strong desire to co-operate in putting down the French now in Fort Garry.

Learning that Mr. Boyd, of Boyd and Inkster, had a large supply of powder, a lot of arms, stock of blankets, and a considerable quantity of beef; sent an order for them, and they arrived during the day; the guns were at once distributed among the men who were deficient in arms, I also made it known that wherever there were any spare arms, I wished them sent to the Fort for the use of the Government.

Saturday, December 4th.

Received a note from Dr. Schultz this morning, in which he states that a number of the enrolled Canadians and others collected at his house last evening, it is presented on his request, anticipating a possible attack upon his property and the Government provisions in his charge. That in the course of the night, bodies of men of the French party repeatedly made their appearance around the outside of his house and premises, evidently inviting attack from the party inside. That they repeatedly adjourned for liquor to O'Lone's saloon. That they were there harangued by Riel; finally, that they came to the front of his house, went through various manœuvres, detaching parties to the rear, &c., and then went off to the Fort, leaving the Doctor and his party, between one and two o'clock A.M., unmolested.

From the occurrences of last night it is evident to me, that a very critical condition of affairs exists at Winnipeg. A single shot which may be fired by either party would precipitate possible deplorable results. As yet the force I am organising is not, nor will it be probably in a condition to justify a collision for ten or twelve days. I shall, therefore, give orders to the Canadians to withdraw from Winnipeg, and with that view have written to order, a copy of which is marked "A 1." Wrote also instructions to Major Boulton on this subject, marked "A 2." Wrote also Dr. Schultz to same effect (see copy marked "A 3.")

* * * * *

Towards evening, Mr. James McKay and a Mr. Nolin, a French half-breed, arrived, bringing a copy of the French List of Rights—the first I had seen—and stating, that their object was, as individuals, anxious to see peace restored, to ascertain how far I could put them in position to assure the French party that these Rights would be granted by Mr. McDougall.

I explained to them, that I could give no assurance whatever—that I could only say that some of those "Rights" as they were called, I had reason to believe it was the Governor's intention to have embodied in his policy, but that others of them could not in my opinion be allowed.

Mr. McKay begged that the order to arm on the part of the rest of the Settlement, should be delayed further, as his belief still was that matters could be settled amicably, and represented in strong language the outrages that would ensue owing to the savage and revengeful instincts of these men in case of hostilities. He expressed the opinion that if blood were shed in the Settlement, Mr. McDougall and his family at Pembina, would be murdered; and further, that even at the present time my own life was in danger from assassination, and cautioned me from what had come to his knowledge to be very careful in my movements outside of the Fort.

With regard to the prospect of a peaceful settlement, he said he was convinced that even now, if the French party could be satisfied that Mr. McDougall actually held a parchment Commission under the Great Seal, and that he had been duly sworn into office as Lieutenant-Governor, they would no longer oppose his entry into the Settlement.

I then gave Mr. McKay the Memorandum marked "A 4," and he and Mr. Nolin left the Fort, sanguine that my proposition might lead to the disbanding of the French.

Mr. Alexander McKenzie, of Mapleton Parish, a Scotch half-breed, who had formerly been for some years the master of a post in the Hudson Bay service, was introduced to me to-day, and expressed his willingness to enrol a company in that parish, and I gave him the requisite authority.

Received note from Major Boulton, marked "E;" also another from Dr. Schultz, marked "F."

Sunday, December 5th.

Sent up orders for enrolment of a company in St. James', also one in Headingly, that for the latter being enclosed to Rev. J. Carrie (see Mr. Carrie's note previously received, marked "G," enclosed with Mr. Carrie's letter to me, was an address of welcome from inhabitants of High Bluff, Assiniboine, to Lieutenant-Governor, marked "G. H.")

Mr. Joseph Marion, French half-breed of the loyal party, * * * * * and who had been sent to Prairie Portage with Mr. Farmer, to post the Proclamation on the 1st, arrived during the day. Sent him up to Mr. Dease's, directing the latter to have his men armed and await orders.

Received a second letter from Major Boulton, marked "I." This officer and Mr. Snow called in the evening,—Mr. Snow very desirous to have Canadians allowed to remain in Winnipeg to guard Government provisions, &c. I told him that whoever staid there after the orders that I had given, assumed the responsibility, that as representing the Government, I did not desire a guard continued on the provisions at the risk of its causing a collision at the present time.

CANADA.

Monday, December 6th.

It having been represented that the response would be more complete if I would make a public call, and accompany it with evidence that all could see as to my authority, I put the same in type yesterday, on the C. M. S. press coming to hand, and to-day it was printed and distributed (see copy marked "K 1.")

Received letter from Major Boulton as to state of affairs at Winnipeg, marked "K." At once wrote and sent off peremptory orders, reiterating those of the 4th inst., for the Canadians to leave the town (see copy marked "K 2.")

Wrote Mr. James Ross, in reply to his note (copy marked "K 4.") Reply marked "K 3."

Understanding that Mr. Grant, of Sturgeon Creek had a small howitzer—wrote him, sending a messenger for it.

Judge Black was with me for an hour or two to-day. Mr. Sutherland, a member of the Council of the Colony, and an officer of the Kildonan Company, with Mr. McBeth, called also. Mr. Sutherland seemed strongly of opinion, that if I would meet the French Council, it might result in their sending a delegation to the Lieutenant-Governor. I expressed my willingness to do so, and he left with the understanding that he was to see the French leaders to-morrow morning, and if possible, arrange for a meeting.

Tuesday, December 7th.

Last evening, about eight o'clock, a Mr. Alexander Black and his wife called upon me.

Mrs. Black had been up to town to consult Dr. Schultz professionally, and had had much difficulty, so she informed me, in getting into the village, and still more in getting access to the Doctor, in consequence of close investment of the place, and particularly of the house of the latter, by the French party.

She brought a verbal message from Dr. Schultz to me, as he told her he was afraid to trust a letter, to the effect that some forty Canadians were in a state of siege in his house. That they could not go out either to get food, wood, or water, and begged for help. This, it is clear, would not have occurred, had my previous orders, repeatedly given for the Canadians to leave the town, been obeyed. My force in the Settlement was not as yet organised, and not having heard so far from Captain Webb, I felt that the crisis was one involving very grave consequences.

Thinking, however, of the moral effect on the object I had in view, should the Canadians be captured, it seemed a duty to relieve them if possible, and believing, as Mrs. Black said, the French in the town were not more than fifty in number, that on the mere appearance of a considerable body of men coming up from the direction of the Lower Fort, the French guard would fall back on Fort Garry, and so leave time for the besieged party to come out and return with us, and that the relief could be effected in this way, without necessarily having had a collision, I determined on that course.

About forty men of the Company, the headquarters of which are at the Stone Fort, were drilling at the time, and expressed their readiness to go, and I then got a sleigh and drove up the Settlement to gather, if possible, sixty additional volunteers from among the enrolled men, believing that I should have little or no difficulty in getting that number in St. Andrew's. I found, however, that the requisite force would not be forthcoming. Indeed, there appeared to me to be an entire absence of the ardour which existed previously. Some of the leading men in St. Andrew's, who are filling the position of officers in the two companies in this parish, viz., Mr. D. Gunn, Mr. Joseph McDonald, Mr. Thomas Sinclair, met me at the Rev. Mr. Gardiner's, and it became evident that the project for the relief of the Canadians must fall to the ground.

I expressed a conviction that some agency was at work which had produced a change in the feelings of the people, and the gentlemen present agreeing with me, remarked, that it might probably be accounted for by the distribution, through the parishes, during yesterday, of the French "List of Rights." It was stated that up to the time of the dissemination of this document, no one but themselves knew what the demands of the malcontents were, and now that they had been published, some of them proving reasonable in their character, and the whole accompanied by expressions of a willingness to send a deputation to Pembina, to treat with the Lieutenant-Governor, it might readily be conceived that the effect on the rest of the people would be to make them less jealous of French domination, and more hopeful of seeing peace brought about by other means than by a resort to arms.

Returned to the Fort at 2 A.M., finding a messenger had arrived during my absence, bringing from the Lieutenant-Governor a Proclamation, directing the former officials of the Colony to continue to discharge their several duties, as previous to the first instant. As the messenger returned at once, I wrote the Lieutenant-Governor hurriedly in return, giving an account of the changed situation, and the evident effect of the French "List of Rights," a copy of which, as also a copy of note received from Mr. James Ross, I enclosed with letter.

Sent off at 3 A.M. a verbal message to be conveyed, if possible, to the besieged party, telling them of my inability to relieve them, and that if obliged to surrender, they must only get the best terms they could.

Desiring to investigate further the evident change in the feeling of the people in regard to aggressive measures, I drove up to the Rev. Mr. Black's, and convened a meeting there of leading men in the Scotch Settlement. There were present Judge Black, Rev. Mr. Black, Mr. James Ross, Mr. Bernard Ross, Chief Factor, H. B. C., Mr. Sutherland, Member of Council, Messrs. John and William Fraser, also members of the Council, and Mr. Polson.

I speedily became satisfied that the only condition on which the Scotch people would now arm and drill, would be to act strictly on the defensive. Indeed, I was informed that a public meeting held in

the vicinity, had just broken up, at which delegates were appointed to visit me at the Stone Fort, without delay, to request that aggressive measures might for the present be abandoned. This attitude on their part, just at the present time, strengthened the conclusion I had come to as to the change in sentiment of the people of the lower parishes.

A strong desire was expressed by those present that I should agree, if the Rebels were willing, to meet their Council, and see if communication could be opened up with the Lieutenant-Governor, in hopes that it might bring about peace.

I explained that Mr. Sutherland was authorized by me last evening to see the leaders of the French party, and arrange for such meeting this morning. Mr. Sutherland said there was so much excitement among them all in reference to the seizing of Dr. Schult's house, that he had found it impossible to get an interview with Riel. It was settled then that Mr. Sutherland should arrange such meeting, if possible, to-morrow morning, and, in any case, let me know what had been done in that direction.

Taken altogether, it appears to me probable that the resort to arms to put down the French party at the present time must be given up. I shall not, however, discontinue the drill going on in the several parishes, believing that such will not be without good moral effect on probable negotiations.

While at the meeting at Mr. Black's, the town was represented as being in a state of great excitement; and, before I left, news came that the Canadian party had been obliged to surrender, and were taken to Fort Garry as prisoners.

As regards this unfortunate affair, there was no force with which the party could have been relieved; and the French, being in overpowering numbers, there was no alternative but to surrender; indeed, it was an act of folly their remaining there to be made prisoners of, as I have reason to believe they could have made their escape a few hours previously, without danger or difficulty (see Major Boulton's report on this subject, marked "L.")

My constant anxiety since issuing my first orders, on Saturday last, for them to leave the town, has been to get them away quietly, feeling that at any hour, through their indiscretion, the entire objects of the Government might have been frustrated.

A young gentleman, Mr. Mulkins, belonging to one of the surveying parties, and whom I sent up to Fort Garry during the forenoon to convey a message in connexion with the besieged Canadians, I learned had also been taken prisoner, and confined with Dr. Schultz's party.

While at Mr. Black's, Mr. Caldwell arrived from the town, bringing a Copy, in French, of what may be styled a "Declaration of Independence," and bearing, unmistakably the mark of American manufacture. Mr. Caldwell said he had been forced to print it; that the French were not satisfied with keeping his press from him, but, in addition, forced him to work for them by threats from armed men who were placed in possession.

Wednesday, December 8th.

Received a Letter from Bishop Macrae this morning (see Copy marked "N"). This Letter, evidently, corroborates the fact of the change of sentiment among the people. This is further strengthened by the remarks of people who called upon me; these, however, I observe, are few in number compared with those of last week. In the course of the day received another Letter from the Bishop, marked "O," in which his Lordship is joined by Archdeacon McLean, in begging that no aggressive measures may be taken. It is unnecessary to say that measures of this character are out of the question, as the people evidently will not sustain them at present.

Printed and distributed the Lieutenant-Governor's Proclamation, confirming the former officials in office.

Have heard nothing as yet from Mr. Sutherland regarding the prospect of a meeting with the French Council.

Thursday, December 9th.

Having become convinced that it is useless longer to entertain any expectation of being enabled to get a reliable force with which to put down the party in arms, decided to abandon the call upon the English-speaking people, and take advantage of the disposition of the French, as expressed by them, to send Delegates to Lieutenant-Governor, and so withdraw from a situation which the change in sentiment during the last few days has rendered a false one. I therefore, this morning, issued a notification, marked "P," sending a manuscript Copy early in the day to Mr. Bannatyne, at Winnipeg, with a note (see Copy, marked "K 5"), asking him to lay it before the French Council.

Shall detain Chief "Prince," and his fifty men, to guard the Fort for a few days until events further develop themselves.

In course of day received Copy of French "Declaration of Independence," marked "R." Received, this evening, Joseph Marion's Letter, containing message from Mr. Dease, marked "S;" by it the French party, it will be seen, have also determined to act only on the defensive.

Gave orders to cease drill and stop receipt of any further supplies.

Gave Major Boulton orders to go to Prairie Portage and stop the drilling there; also to convene a Council of the Indians in that neighbourhood, particularly of the Sioux, who, I have been informed, are disposed to anticipate a call from the Government, by making war on the French party, and tell them to be quiet.

No communication has, as yet, reached me from Captain Webb, and the only conclusion I can arrive at is, that his message has been intercepted.

Friday, December 10th.

Two of the chief warriors of Henry Prince's Band were introduced by him to-day. There were the usual protestations of loyalty to the Queen, and readiness to fight her enemies. These men live up on

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the Red River, in the disaffected district, and say that their families are in fear of the French half-breeds.

To do the Indians justice, they will, I believe, be found loyal to the Government throughout the Territory.

Messrs. Arkland and Elwood arrived from Winnipeg to-day. They report the French continuing to arrest Canadians wherever they find them, and that even they themselves, although having taken no part, feel that they may be arrested any moment. They bring no news regarding the imprisoned Canadians, but report that the French have commenced the search for and taking possession of, arms in private houses, asserting their intention of going through the Settlement for that purpose.

Reported to the Lieutenant-Governor sending this Record up to the present time, and stating my intention to join him at Pembina at an early day; and trusted the Papers to two of Henry Prince's Indians, selected by him for that purpose.

Hon. William McDougall, C.B.,
&c. &c. &c.

I have, &c.
(Signed) J. S. DENIS.
Lieutenant and Conservator of the Peace
in and for the N.W. Territories.

(B 8.)

SIR,

Pembina, December 17th, 1869.

I have the honour to report my arrival at this place on the evening of the 15th instant, having come from Prairie Portage across the Plains.

Having received, on the evening of the 10th instant, a message from Mr. Sutherland, to say that there was no prospect of getting the French leaders to agree to a meeting, I decided to leave the following day to report to you in person, in accordance with my instructions, and completed the necessary arrangements, engaging a guide, &c. &c.

In informing Mr. Hart as to my intentions, I directed him to pay off Chief "Prince," and his Band, the day of my leaving, and vacate the Fort. With regard to the supplies which had been obtained, the provisions, Mr. Hart was given to understand, would be taken and credited in account by the Hudson Bay Company.

All blankets issued were to be collected and stored. The arms and ammunition which had been distributed, where the parties were reliable men, to be allowed to remain in possession, individual receipts being given therefor, as being held subject to Government order. The powder and bullets which had been called in I directed Mr. Hart to say to the parties from whom obtained, that they were at their service again, not being required by the Government; that if thought safer at the Magazine at the Fort, they could remain there till expedient to be removed.

I directed Mr. Hart to return to the survey upon which he had previously been engaged, advising him not to go beyond the limits of the English portion of the Settlement. At the same time, I fear he may have been interrupted, and, possibly, arrested by the French party.

During the night a report reached me that a body of Sioux, said to be 500, were on their way to the Settlement, and had got as far as Poplar Point, bent upon commencing war "upon their own hook."

Believing that matters in the Red River Settlement were sufficiently complicated without adding in a raid from the Sioux; and fearing that, should the report have had good foundation, Major Boulton, who left at 4 A.M. on the 10th instant, might not meet the "war party," as he was to go straight through to the Portage by the "Gros Isle," I decided to investigate the matter, and, if the report proved true, to use my best endeavours to turn the Indians back, and thus prevent a calamity in which, probably, French and English might all be involved. I therefore left the Fort at 2 A.M., changed horses at the town of Winnipeg, and drove through, without meeting interruption of any kind, to Poplar Point, arriving at Mr. George Taylor's about 1 P. M.

At Mr. Taylor's I met Captain Webb, and Mr. Newcombe, actively engaged in connection with the Company, which had its head-quarters at this point.

Captain Webb handed me his Report (see Copy herewith, dated 11th December), which he had prepared, and was intending to send off to-day.

I found about 100 Lodges of Sioux encamped here and between here and Prairie Portage; and at the time of my arrival Major Boulton, who reached this point the evening previous, and at once acted upon the orders given him, was holding a Council with them, at which "Little Fox," Head Chief of the Cree nation, was also present.

The reports which had reached the Settlement as to the Sioux were entirely without foundation. They asserted themselves as on the Government side, but said they had had no intention of "making war" without being first asked to do so by the Governor.

"Little Fox," who visited me at Mr. Taylor's, after the Council, is a man of considerable mind, and may be fully relied on as loyal. He is much respected by both whites and Indians; and, independent of the control he has over his own people, has a great deal of influence with the Sioux, and other tribes of the Plains.

Major Boulton, at my request, distributed some presents to the Chiefs, dividing among them, also, a small supply of provisions.

Wishing to call on the leading people at High Bluff and the Portage, to explain the reason why the movement was to be given up, I continued my journey, and called, during the afternoon, on some of the principal men at the first-named place, who took part in the address to the Lieutenant-Governor, and who have latterly identified themselves with the Volunteer movement.

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Mr. Hamilton, M.S.C., under Captain Webb, was zealously drilling the Company here, and reported very favourably of the men.

Arrived at the Portage at 6 P. M. * * * * *

In view of abandoning the call, it is fortunate that Captain Webb had, so far, accumulated no surplus supplies. The beef and flour, not more than a barrel or two was presented to the "Fox" and the Sioux. I gave Captain Webb instructions similar to those of Mr. Hart as to blankets, guns, and ammunition.

It was evident that the abandonment of the movement did not meet with much favour in that Settlement; the numbers of men enrolled, however, were only ninety-nine, and alone would have been insufficient to effect anything of consequence.

The Force altogether organized, and, more or less, drilled under my commission, stands very nearly as follows:—

No.	Head Quarters.	Officers.	Men.	Approximate Days' Drilled.
1	Stone Fort	3	71	4½
2	St. Andrew's	3	50	3
3	St. Paul's	3	35	1
4	Kildonan	3	74	3½
5	Winnipeg (supposed)	3	40	No return either of Strength or Drill.
6	Poplar Point	3	31	
7	High Bluff	3	32	
8	Portage La Prairie	3	36	
	Chief Prince and Men	1	50	10
		25	419	Average 4 days.

Gave Captain Webb instructions similar to those of Mr. Hart as to continuing the survey through the present winter. His operation, however, will necessarily be limited to that part of the Settlement from Poplar Point to Prairie Portage.

Finding that a guide could be obtained to take me direct from the Portage to Pembina, I made the necessary arrangements, and left the following morning at 7 A. M.

The trip across the Plains occupied more time than expected, the ponies being in many places impeded by crust on the snow. The third day, also, was stormy, and it was not till the evening of the fourth day that I arrived at my destination.

Hon. William McDougall, C.B.,
&c. &c. &c.

I have, &c.,
(Signed) J. S. DENNIS.
Lieutenant-Colonel.

(B.)

Copy of Papers referred to in the foregoing Record of Proceedings.

SIR,

Fort Garry, 4th December, 1869.

I have the honour to acknowledge the receipt of your Letter of the 3rd instant, making inquiries as to the number of guns which might be had from the Hudson Bay Company's posts near the Settlement. In reply I beg to say that at present I cannot give any very definite information, as the stock, at no time very large at any of those posts, will at present entirely depend on what the wants of the Indians have been in the autumn, but there may be still on hand at those posts as follows:— At Fort Alexander, possibly ten; at White Horse Plain, from ten to fifteen; at Point du Chine, from four to six; at Portage la Prairie must be very few. From here I could supply a very large number if I could get them out, which for more than a week past I have been watching an opportunity to do. Had it not been for the excitement about the pork there would have been in all probability sixty guns in one of the outhouses here, which is without the wall, besides a good supply sent to Oak Point, but which, owing to the appearance of the people here, Dr. Cowan caused to be countermanded when the sledges were loading. I enclose four orders for the delivery of all arms to your messengers having authority from you to receipt for them.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.
Lower Fort Garry.

I have, &c.,
(Signed) Wm. McTAVISH.

CANADA.

(A 1.)

Memorandum of Orders for the Enrolled Canadians now in the Town of Winnipeg.

Stone Fort, December 4th, 1869.

These men are not in a position where they can be supported by any force of which I am at present aware should they be attacked by the rioters under Riel, which seems to me likely to occur. I am convinced the object of the latter is now to provoke them beyond endurance, and so precipitate a collision, in which he would try to show that the Canadians were the aggressors, with the hope that in such case he might obtain the aid of the rest of the French party.

I have therefore to request that the Canadians will withdraw from the village and come down to the Scotch Settlement, where I will meet them, and establish them in defensible quarters, in which they will serve as an outpost, and under circumstances where they can be readily reinforced if necessary.

They had better come down this evening, and report to me or to Major Boulton at the Rev. Mr. Black's.

To the Enrolled Canadians at Winnipeg.

I have, &c.,
(Signed)J. S. DENNIS,
Lieutenant-Colonel.

(A 3.)

MY DEAR DR. SCHULTZ,

Stone Fort, December 4th, 1869.

From the occurrences of last night the anxiety of Riel is evident to have the Canadians draw the first blood, which latter would be anything but desirable just now. I have come to the conclusion that they must be withdrawn, and have therefore ordered it by bearer. I shall go up and meet them at the Scotch Church, and establish them there as an outpost, under Major Boulton. I see no other course for you to pursue but to send Mrs. Schultz to a friend's house as you propose, shut up your premises, and let the property take its chance. As to the Government provisions, should the guard be still over them, I shall not, as representing the Government, require them to remain there any longer. They had better therefore lock up the place and leave. I would be glad to have them come down with the others and enrol in the force at the outpost, but will leave that to themselves.

Were my force organized I would not allow Canadians to be used as you have been there, but I am not at all in a position to act, and regret to say things move but slowly here. You speak of enthusiasm. I have not seen it yet with any body but Prince's men.

Dr. Schultz.

I have, &c.,
(Signed)

J. S. DENNIS.

(A 2.)

MEMORANDUM from Major Boulton.

Lower Fort, 4th December, 1869.

I have instructed Canadians to withdraw from the town, and propose to put them,—say in the Scotch Church, if the Rev. Mr. Black is willing. They will remain there with as many additional men as you may think necessary, obtained in the neighbourhood. They will serve as an outpost and a rendezvous for the loyal in case of any demonstration being made by Riel's party in the Lower Settlement. This post will be under your immediate command. I have sent forward a supply consisting of fifty blankets, 20 guns, 2 quarters of beef, 4 bags of flour, 1 cooking stove, furniture and pipes, 10 lbs. of tea, 1 bag of bullets, 2000 caps.

Anything further required you can probably procure there; if not let me know. Organize the men as you think best. Report to me every day if possible. Should Mr. Black not be willing, and you can find any other easily defensible house take it instead of the Church. Let your sentries be particular to note movements along the high road, and send forward advices of any such at once. I have received from parties now with me who left Fort Garry late this afternoon information that such a move in this direction is contemplated.

(Signed)

J. S. DENNIS.

P.S.—Write me fully and candidly the present feeling in the Scotch Settlement to-morrow. Hire any transport necessary.

(Signed)

J. S. D.

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MEMORANDUM.

Stone Fort, Lower Settlement, December 4th, 1869.

Mr. James McKay tells me the French party say they are willing to obey the Queen's Commands, but assert that the Honourable William McDougall is not duly appointed and sworn into office as Her Majesty's Representative, and he thinks if they could be satisfied of this they would offer no further opposition to that honourable gentleman entering the Settlement.

If there is any doubt upon this point humiliating to the Queen's Representative to be called on to show his Commission, Mr. McDougall, I think, would be disposed to consent to even this rather than be the cause of bloodshed among the people. I would, therefore, make the following proposition. I will go to Pembina and obtain the Commission, and place the same in the hands of Governor McTavish, together with the Certificate of the Crown Law Adviser at present with the Lieutenant-Governor, that the latter has been duly sworn into office; upon this the French party at once to disband, and offer no further opposition to Mr. McDougall's entering the Settlement. Upon the leaders of the French party signing an agreement to the above effect, I will give orders to cease any further steps towards arming by the English-speaking people in the Territory.

(Signed) J. S. DENNIS,
Lieut. and Conservator of the Peace.

(E.)

SIR.

Winnipeg, December 4th, 1869.

I have the honour to inform you that I have received your communication containing *Memoranda* to the Canadians. Dr. Lynch, Mr. Snow, Dr. Schultz, and myself have consulted together, and have come to the conclusion that under the circumstances (that we have 70 men and 65 good arms on the premises), we have a strong position, and could resist successfully a strong attack. It is now 9 o'clock, the men are all posted, and the Rebels know it. There are no men moving about, and no indications of any attack, and a retreat would or might inspire the Rebels with more confidence than they appear at present to possess. Your Memorandum to the Canadians says "they had better come down this evening," which apparently gives us the opportunity of using our own judgment under existing circumstances. I wrote to you this afternoon Mr. Prudhomme's house is a large one and empty, and could be occupied and filled with provisions and stores. I will go down to-morrow and see you, and receive your further orders. I have written a letter to Mr. Pinkham, at St. James's, to call a meeting, that I might enrol volunteers and drill them,

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,
(Signed) C. W. BOULTON.

(F.)

DEAR COLONEL DENNIS,

Town Winnipeg, Saturday night.

Events have a good deal changed since the writing of this morning. The firm stand seems to have had its effect, and to-day nothing of moment occurred. This afternoon President Bruce visited me (no guard) at 4 p.m. Said he had come to explain to me and to ask explanation, reminded me of the "bon accord" in times past, and of the services I had rendered in times of sickness, and he asked me where was the sticking point in their resolutions. On my mentioning the insulting nature of the last one he said that they had not so meant it, and that I must have an incorrect copy,—spoke slightly of Riel; said they could not go to see Governor at Pembina, but would like to see you. I told him that I thought you would see him alone, as he proposed, without Riel, but thought that Riel would spoil everything; assented to this, and said that after he returned from Stinking River to-morrow he would see me and arrange a meeting. I give this for what it is worth; other indications point to its probability; with thanks for your kind wishes as to Mrs. Schultz.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,
(Signed) J. SCHULTZ.

P.S.—Captain Boulton writes the news of most of the Canadians here, and I think the altered circumstances will probably induce you to countermand or modify order.

J. S.

(G.)

DEAR SIR,

Headingley, December 3rd, 1869.

As Mr. Farmer, who brought the Proclamation here, intimated to me that you wished me to give some information concerning the loyalty of this parish, I have the honour to inform you that nearly all the people are loyal to the Queen, and wish to become a part of the Dominion of Canada. I have spoken to a number of persons lately about the matter, and all have expressed their willingness to enlist as volunteers, to bring in and establish the Honourable William McDougall as Governor in

CANADA.

these Territories, and also to assist in preserving British law and order amongst us. A paper to that effect is now being signed at Mr. John Taylor's house. I am sure if you were only to come among us, or if any one were to come with proper authority to call out volunteers, I do not think any one in the parish would refuse to go, except a few individuals who are of no account anywhere, and who would do well to vanish into "thin air" as soon as possible. I enclose a copy of Resolutions passed at a public meeting held at Mr. Tait's house, November 29th, *i.e.*, before the Proclamation was issued. You will see from them that the parish proved loyal then,—it is much more so now *since the Proclamation has been issued*.

I may remark that in reference to the first Resolution it is apparently defective. To express the wish of the meeting the latter part of it would read thus:—"until the entry of the Canadian Government, and then we will support and strengthen the said Canadian Government."

With best wishes for the success of your undertaking,

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,

(Signed)

JAMES CARRIE.

Incumbent of Headingly Parish.

GOD SAVE THE QUEEN!

(I)

SIR,

Winnipeg, December 4th, 1869.

I have the honour to inform you I proceeded to Kildonan School-House. Owing to a break down on the road I was detained an hour. I found the School-House full, and proceeded at once to explain the object of my coming. I read your commission and Service Roll heading. After concluding speaking, some of the older men questioned me as to the legality of it. I argued the point, and failed quite to satisfy them, though the majority were against the legal quibble, but I judged it best to satisfy parties, and agreed to postpone the meeting till 10 o'clock this morning, to allow said parties to get Judge Black's opinion (I told them the only legal authorities—the Governor, Mr. Richards, and Judge Black—were satisfied of the legality).

I met them again this morning at 10 o'clock, though not so numerous. Judge Black had given his opinion. These men were perfectly satisfied, and came forward and headed the roll. I took down sixty names then and there, formed a company, appointed officers and four sergeants. One officer and two sergeants to the district in which their squad or subdivision reside. The people were numerous, and are to assemble on Monday at 1 o'clock, when I expect over 100 men to be there, and I will have two companies officered and formed, and ready to turn out at a call from their lieutenants and ensigns. I have come up here to assist Dr. Schultz and the party. I shall put the men here in a thorough state of organisation, and find out the amount of ammunition and arms. We are going to assemble here and keep guard all night, and resist attack, but I shall not allow any one to provoke it. Will you send up ammunition, &c., to Mr. * * *, as we ought to have it handy near here. I think we ought to have provisions, &c., stored there for necessity. It will hold a great number, and when the Portage people come down it will be required.

The people here are very anxious, and everywhere wish the organisation to be completed as soon as possible, for the French gain strength by time. There was quite a demonstration last night. Mr. Boyd's place also was placed at our disposal for stores or men.

If you send me any orders to carry out I will do so without delay. We shall have about seventy to-night to defend this place, I think. Owing to my break down last night and hurry I had not time to leave your letter for Judge Black, but sent it this morning. Everything is cheering for numbers. Guns are wanted. If the spare arms from the Fort were sent to Mr. * * *, or elsewhere, they would be handy, and many men want them. I will take steps to have them securely stored when they arrive.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,

(Signed)

C. W. BOULTON, Major.

(K)

SIR,

Mr. * * *, December 6th, 1869.

I have the honour to inform you I arrived here last night about 11 o'clock, and was met by a messenger telling me to be careful how I went into town. I accordingly left my horse and cutter at Mr. * * *, and went on foot and got around by the river, and entered Dr. Schultz's house about 12 o'clock. The town was full of Frenchmen, and they kept parading about, and placed sentries all around the Doctor's, and kept us on the alert all night. There were about seventy or seventy-five in the Doctor's house. The greatest number of French who left the Fort and entered the town was ninety-six. They were counted as they passed up. They kept coming and going all night. I assembled the officers of the company, with Dr. Schultz and Mr. Snow, and told them your orders, and pointed out the reasons why they should not remain on the premises any longer, so they agreed to leave. I left directions as to their mode of procedure, and gave strict orders not to be later than two or three o'clock at the outside in leaving.

I then left with Hallett to go to St. James' Parish meeting at nine o'clock, and came across the Prairie to Kildonan, and I drilled about 100 men, and had the provisions, blankets, &c., put into Mr. * * * as the most convenient place to put them in to await your further orders. I then went back to town about four o'clock, but could not enter to see what was delaying them, and heard that

Dr. Schultz house was closely invested, at least that men were all around it. I met Mr. * * * going in, and asked him to let me know what was going on.

CANADA.

I went over to his house, and he tells me he did not get in either, at least he thought it imprudent to enter. I feel a little apprehension about them. I do not know why they have not come out. If they were to leave, I do not think the French would fire the first shot, but they are beginning to look very ugly, and Bishop McCrae tells me there cannot be less than 600 armed men in connection with the Fort. It is thought that some attempt at a peaceful solution should be made by a discussion of their rights as printed. Riel has showed such strength of force, that as an enemy he is now not to be despised. I am only giving now to you opinions that I hear in conversations. The people about here express willingness to take a stand—but apparently a panic is easily created. There will be two companies nearly in this parish, St. Paul's had forty-three names subscribed, Hallett's Parish only gave sixteen names—all good ones.

The meeting was small. Mr. * * * says that the Parish is a good deal in the hands of Bannatyne and Mr. McKenny, which accounts for it. I was intending to go into town to night to see if I could reach Dr. Schultz's house, or hear anything of them, but as Mr. * * * has gone in I have thought better to remain here, as I am an object of suspicion, and would be detained a prisoner.

I have strictly enjoined repeatedly all the Canadians to suffer insult rather than provoke attack or fire a shot; and I think they all see the necessity of it, and will be very careful. I heard they do not number over twenty-five or thirty to-night, as several left, I suppose, when it became known it was decided to evacuate—though I told Dr. Lynch not to let it be known till the preparations were made. I enclose a letter from the Bishop. The French apparently wish to avoid clashing with the English and Scotch, and if a bold stand is made through the organization it may bring about a peaceful solution. They say the French cannot continue in force as their families will be left or are left in a very destitute state. I will be about in the morning to find out the state of affairs. If the Canadians do leave, the town as well as the Fort will be entirely in the hands of the French. I have given you an account of everything I think of worthy of note.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,
(Signed) C. W. BOULTON.

(K 1.)

(Recites Commission from Lieutenant-Governor McDougall to Lieutenant-Colonel Dennis).

By virtue of the above Commission from the Lieutenant-Governor, I now hereby call on and order all loyal men of the North-West Territories to assist me by every means in their power to carry out the same, and thereby restore public peace and order, and uphold the supremacy of the Queen in this part of Her Majesty's Dominion. Given under my hand at the Stone Fort, Lower Settlement, this 6th day of December, in the year of our Lord, 1869.

(Signed) J. S. DENNIS,
Lieutenant-Colonel.

(K 2.)

MEMORANDUM.

Stone Fort, 2:30 P.M., 6th December, 1869.

I am told the rebels are paraded in force in the Town of Winnipeg, and are acting in a manner calculated to provoke a collision with the loyal party.

I cannot be a party to precipitating such an event just at the present time, and must therefore reiterate my orders of the 4th instant to the enrolled Canadians to leave the town, and establish themselves at Kildonan School-House, where there is a supply of provisions, and where they will have assistance at hand if attacked.

Major Boulton or, in his absence, Dr. Lynch, must see to this being done. Of course, if the attempt to come down would bring on a fight, they may remain where they are, but not encouraging hostilities. Let them come down under cover of the evening.

To the Enrolled Canadians at the Winnipeg.

(Signed) J. S. DENNIS,
Lieutenant-Colonel.

(K 4.)

DEAR SIR,

6th November (December), 1869.

As an opportunity offers, I drop you this line to express my strong conviction that you should not make any aggressive movement at present.

CANADA.

Pray do nothing aggressively, I am still hopeful of peace; a civil war is altogether too dear a price to pay for anything wanted on either side—many others think so too.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

Yours, &c.,
(Signed) JAMES ROSS.

P.S.—You may have a deputation from the English-speaking people to-day or to-morrow, urging that you should make no aggressive movement. I say *you may*. I cannot tell till this afternoon.

In haste, &c.,
(Signed) J. R.

(K 3.)

MY DEAR SIR,

Stone Fort, 6th December, 1869.

I have this moment received your note. I think it my duty, under my Commission, *not to relax preparations*, to put down, by force of arms if necessary, the present outrageous condition of things in the Settlement. At the same time, I will be glad to see the gentlemen of whom you speak. I will not act on the aggressive so long as there is to my mind a satisfactory reason for further delay. It would be the greatest possible relief to me to see peace restored without resorting to force, but there has been so much temporizing that it would almost seem to me the Insurgent party are now actually drawing moral strength from that very source.

Believe me, &c.

James Ross, Esq., Winnipeg.

(Signed) J. S. DENNIS.

(L.)

SIR,

Lower Fort Garry, December 9th, 1869.

I have the honour to state for your information my knowledge of the occurrences of the past few days. According to instructions, I proceeded, on Friday the 3rd, to the Scotch Settlement for the purpose of organizing companies in the parish. The following day I received a letter asking me to come up to Dr. Schultz's—that a number of men had assembled there the previous evening to defend the place, as an attack was feared from the French. I arrived there in the evening after my other duties had been performed, and found they had been re-inforced, and numbered about sixty men, Canadians and others. The cause assigned to me for the assembling was that the French had been drinking in the Saloons, and in that state might make an attack. I took down the names of all the men, and divided them into subdivisions and sections. They chose their officers and non-commissioned officers, and I distributed them about the houses so that they might all be held in command. Between nine and ten your orders came for the men to withdraw. As it was late, and the town was quiet, and there were a number of ladies and women in the house, I thought better to remain where we were. The *Memorandum* was not communicated to all the men, as they were distributed and sleeping in three houses. The town was quiet all night, and the following morning I went down with Mr. Snow, to see you, leaving everything quiet.

As it was Sunday, I told those who had no houses to go to, to remain quiet till I returned. I did not return that night until 12 o'clock, owing to my horse breaking down. I got into Dr. Schultz's, and found that the French had increased in numbers, and the position was assuming an aspect of hostility, and one detrimental to the interests of the cause you were engaged in, and that night ninety-six French left the Fort, and entered the town and paraded about. I gave all the men orders on no account to provoke attack. The night passed away without any demonstration on the part of the French. On the following morning I assembled the officers of the company, and some others, and communicated your orders, and pointed out the futility of remaining there. That they were acting on their own responsibility and contrary to your orders. I took the opinion of each one, and they all agreed to leave. I accordingly requested Dr. Schultz to take immediate steps to remove his family and the other ladies, and told the officers to let the men either go singly with their arms throughout the day, or, if not with their arms, to wait till all was ready, and march out in a body, which I was satisfied could be done with ease, as the French wanted them to leave the premises and nothing more. I told the officers not to give the orders to the men till all was ready, lest it might get out and a demonstration be made by the French; and as there was a number of females on the premises, they had to be looked after first. I told them to leave as soon as possible, but on no account to be later than three o'clock. I then left with Mr. Hallett to attend a meeting at St. James's Parish, and afterwards to drill some companies at Kildonan Parish. I took possession of Mr. Prudhomme's house for the reception of the men, and made a few arrangements. I then made an attempt to get into town again about four o'clock, but could not. I then wrote a letter to you, informing you of the state of affairs, and that I felt a little apprehensive about them but not much, as I was satisfied if they would retire they might do so. Knowing the French would not fire the first shot. When the position was first assumed it was only to protect the premises and Government property from a comparatively few French, but on Sunday night they appear to have increased greatly. Several men left,* on Monday,

* Supposed from Dr. Schultz's house.

RED RIVER SETTLEMENT.

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but were not allowed to return. Of subsequent events you are already in possession. I do not know why they do not leave, after my orders of the morning.

CANADA.

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

I have, &c.,

(Signed) C. W. BOULTON,

(N.)

DEAR COLONAL DENNIS,

Bishop's Court, December 6th, 1869.

I grieve to say that the state of things is assuming daily a graver aspect. I am greatly disappointed at the manifestations of loyalty, and a determination to support the Government of Mr. McDougall on the part of the English population. Instead of a breaking down of the force of the Insurgents, I feel certain from my observations at Fort Garry to-day, and from information from Mr. McTavish, and others, I can fully rely on, that over 600 men are now in arms, and that they are well armed. I see no reason to depend upon want of courage or determination on the part of these men. In addition to this strong exhibition of force, there is a belief, apparently on good authority, of a determination to revenge loss of life if they are attacked, by house to house massacring, or at any rate by individual assassination.

I feel, therefore, that success in an attack with such forces as you can bring together, with nothing of the common action the Insurgents have, is very problematical, and that the warfare is likely to be such that a victory will only be less fatal to the Settlement, and the interests of the Canadian Government than a defeat.

You must not suppose that this comes from one who is timorous; though I never said it before, I went to the first meeting of the Council of Assiniboia prepared to recommend a forcible putting down of the Insurrection, and when you came in I hoped that the exhibition of force would be sufficient, but the force of the Insurgents has only grown with opposition, and is now, I believe, quite a match for all that can be brought together against them. I would earnestly advise, therefore, the giving up of any idea of attacking the French position at Fort Garry at present, and also any idea of seizing by stealth on any rebel. Put away such counsels for a time at least. I feel that the result to be anticipated would be very disastrous. I see everything to be gained by delay—at any rate, there would be some opportunity perhaps of bringing about some direct communication between Governor McDougall and the disaffected people. I think you should on every account bring that about—further it would be well not to act till you ascertain clearly the mind of the Canadian Ministry and people on the way of settling this affair; and I think something is due to the people from Governor McDougall. I, for one, am this moment, perfectly ignorant of any detail of the character or policy of his Government. Personally, I do not care for this, I am not only fervently loyal to the Queen, but I have unquestioning confidence in the management of Canada. I know all will be right, still there is not less a great want—a very conciliatory attitude is what is wanted from Governor McDougall, and a plain setting forth of how the Government is to be conducted, meeting as far as possible any of the wishes expressed by the disaffected persons, and perhaps referring others to Canada—but promising a generous consideration of the whole grievances.

This may not be altogether palatable, but the crisis is a grave one for Canada, and much wisdom is needed. I would not so write, did I not feel certain that if the present numbers of Insurgents keep up, an attack is not feasible; and did I not also feel that some attempt should be made by those having authority and knowledge to enter into explanations with them before making any attack. The late Government of Assiniboia could not do this, for it had no information—all that could be done was to counsel loyal obedience, but at this time something more is called for than that.

With kindest regards,

I am, &c.,

Lieutenant-Colonel J. S. Dennis,
&c. &c. &c.

(Signed) R., Rupert's Land.

(O.)

DEAR COLONEL DENNIS,

Bishop's Court, December 7th, 1869.

There is a report that you think of coming up at once with the force you have. I do not suppose that this is the case, but I am sure any effort at present is hopeless. They now hold about 60 prisoners, and are more than 600 in number, and elated. You must be quiet, probably the lives of the prisoners may depend upon this; the truth is I am afraid nothing can be done by you, only evil is now to be apprehended from action.

I am very sincerely, &c.,

(Signed) R., Rupert's Land.

DEAR COLONEL DENNIS,

I most fully concur in all the Bishop says.

(Signed) J. McLEAN, Archdeacon,

(G. H.)

To the Honourable WILLIAM McDougall, C.B., Lieutenant-Governor of the British North-West Territories in America.

We the undersigned inhabitants of High Bluff, desire to express to your Excellency, as Her Majesty's Representative, our sentiments of loyalty to Her Majesty the Queen of Great Britain and Ireland, and also our ardent desire that your Excellency may speedily arrive safe amongst us, deeply regretting that untoward circumstances have so long deprived us of your Excellency's presence.

(Signed by sixty-one persons.)

THE RED RIVER MASS MEETINGS.

OFFICIAL DOCUMENTS.

(From the report of the 'New Nation'.)

A grand mass meeting of the inhabitants of the Settlement was held at Upper Fort Garry on the 19th ult. So many were present that the assembly had to be held in the open air, and this, when the thermometer stood at about 20 deg. below zero. The meeting lasted some five hours.

On motion of President RIEL, seconded by PIERRE LEVIELLE, Mr. THOMAS BUNN was called to the chair.

In opening the meeting, the CHAIRMAN expressed it as his opinion that this was the most important meeting ever held in the Settlement. The most vital interests were at stake, and he therefore hoped that the utmost order and good humour would prevail.

Mr. RIEL was elected Interpreter; and, on the motion of Mr. ANGUS McKAY, seconded by Mr. O'DONOGHUE, Judge BLACK was appointed Secretary to the meeting.

Colonel DE SALABERRY was present both days.

The CHAIRMAN introduced to the meeting Mr. DONALD A. SMITH, who came forward and read the following document, which, he said, had been handed to him in Canada:—

" SIR,

" Ottawa, Dec. 10th, 1869.

" I have the honour to inform you that His Excellency the Governor-General has been pleased to appoint you Special Commissioner to inquire into and report on the cause and extent of the armed obstruction offered at Red River, in the North-West Territory, to the peaceable entrance of the Hon. W. McDougall, the gentleman selected to be Lieut.-Governor of the Territory, and to bring about its union with Canada. Also, to inquire into and report on the cause of the discontent and dissatisfaction at the proposed changes which exist there. Also to explain to the inhabitants the principle upon which the Government of Canada intend to govern the country, and remove any misapprehensions which may exist on the subject. And also to take such steps, in concert with Hon. Mr. McDougall and Governor McTavish, for effecting the peaceable transfer of the Government from the Hudson Bay authorities to the Government of the Dominion.

" You are to consider this communication as a letter of appointment as Government Commissioner. With this letter you will receive a copy of the letter of the instructions given to Mr. McDougall on leaving Ottawa, dated the 28th September. Also a copy of a further letter to Mr. McDougall, dated the 7th inst., and a copy of the Proclamation issued by His Excellency the Governor-General, addressed to the inhabitants of the North-West Territory by command of Her Majesty.

" You will proceed with all despatch to Pembina, and arrange with Mr. McDougall as to your future course of action, and then go on to Fort Garry, and take such steps, after such consultation, as may seem most expedient. You will, of course, consult with Governor McTavish, and endeavour to arrange one concerted scheme between Mr. McDougall, the Hudson Bay authorities, and yourself, for the pacification of the country.

" As the information coming here is necessarily imperfect, and the circumstances at the Red River are continually changing, it is not considered expedient to hamper you with more specific instructions.

" You will therefore act, according to the best of your judgment, with Mr. McDougall, and keep me fully informed as to the progress of events there. You will also offer suggestions as to the best mode of dealing with the Indian tribes in the country.

" I have, &c.,

" JOSEPH HOWE,

" Secretary of State for the Provinces."

Mr. RIEL translated the letter into French.

CANADA. Mr. SMITH then read the following letter sent by the Governor-General of Canada to him (Smith) personally. It was handed to him in Ottawa:—

“MY DEAR MR. SMITH,

“Ottawa, Dec. 12th, 1869.

“I learn with satisfaction that you have placed your services at the disposal of the Canadian Government, and that you are proceeding to Red River to give the parties that are at variance the benefit of your experience—

Mr. RIEL is that letter public or private?

Mr. SMITH.—It is a letter to me as Commissioner.

Some confusion ensued, several people spoke at the same time, and ultimately the CHAIRMAN ordered silence, and said that the document was public and ought to be read.

Mr. SMITH continued the reading of the letter: “Give the parties that are at variance the benefit of your experience, influence, and mediation.

“In my capacity as Her Majesty’s representative in the British North American possessions, I have addressed letters to Governor McTavish, the Protestant Bishop of Rupert’s Land, and the Vicar General, who acts in lieu of the Roman Catholic Bishop, during his presence in Rome. I have sent them copies of the message received by telegraph from Her Majesty’s Secretary of State, which forms the staple of the Proclamation addressed to her subjects in the North-West Territory. You will observe that it calls upon all who have any complaints to make or wishes to express, to address themselves to me as Her Majesty’s representative. And you may state, with the utmost confidence that the Imperial Government has no intention of acting otherwise—or permitting others to act otherwise—than in perfect good faith towards the inhabitants of the Red River district of the North-West.

“The people may rely upon it that respect and protection will be extended to the different religious persuasions, that titles to every description of property will be perfectly guarded, and that all the franchises which have existed, or which the people may prove themselves qualified to exercise, shall be duly continued or liberally conferred.

“In declaring the desire and determination of Her Majesty’s Cabinet, you may very safely use the terms of the ancient formula, that “right shall be done in all cases.”

“Wishing you a prosperous journey and all success in your mission of peace and good will,

“I remain faithfully yours,

“JOHN YOUNG.”

Mr. RIEL.—It is not signed “Governor.”

Mr. SMITH.—It is written and signed “in my capacity as Her Majesty’s representative.

Mr. RIEL translated the letter into French.

Mr. SMITH then asked Vicar-General Thiebault for some letters from the Government of Canada to Governor McTavish and the Bishop of Rupert’s Land, which had been confided to his (the Vicar-General’s) care in Canada. I (said Mr. Smith) have been authorised by Governor McTavish to make this request. In explanation I would say that the Vicar-General and Colonel De Salaberry preceded me from Canada by a few days. It was intended that we should have had communication on the way, and that being the case, for convenience sake the letters were given to the Vicar-General. The letter to Mr. McTavish is explanatory of the views of the Canadian Government, and shows what the Queen wished to say to her faithful subjects here.

Mr. RIEL.—I do not want the documents to be read. (Cries of “We will have it,” and cheers.)

CHAIRMAN.—Silence.

Judge BLACK protested against the documents being withheld from the meeting.

A VOICE.—Who has the documents?

ANOTHER VOICE.—Mr. O’Donoghue has them.

CHAIRMAN.—The Vicar-General states that Mr. O’Donoghue seized them, and has got them.

A VOICE.—We want them.

Mr. RIEL.—I ask the Vicar-General if either of the letters alluded to belong to Mr. Smith?

The VICAR-GENERAL.—No.

Mr. SMITH.—Mr. McTavish authorised me to ask for his letter.

Bishop MACHRAY.—I will ask my letter from Mr. O’Donoghue, and I think he will give it.

Judge BLACK urged the production of the letters.

Mr. RIEL said that the Judge was out of his rôle as Secretary in addressing the meeting.

Judge BLACK said he had no idea that Mr. Riel could teach him his duty.

The CHAIRMAN addressed the meeting, and Mr. O’Donoghue protested.

Judge BLACK.—If business is not allowed to proceed regularly, I will resign.

Mr. O’DONOGHUE complained that the Chairman would not allow him to address the meeting.

The CHAIRMAN said he had no objection to Mr. O’Donoghue’s doing so, when he was in order.

Mr. BALLANTYNE.—As a Red River settler, I ask the Chairman to put the question to the meeting, whether Mr. O’Donoghue is to be requested to produce the letters.

The CHAIRMAN put the question in the form of a resolution, and it was carried amid cheers.

Mr. BALLANTYNE, in the name of the people of Red River, then demanded of the Vicar-General that he should ask Mr. O’Donoghue for the letters.

Mr. RIEL seconded the demand.

The VICAR-GENERAL made the required demand.

Mr. O’DONOGHUE.—Since the demand is made in its present form, I may say that I took the letters by order and delivered them to Secretary Schmidt.

Some debate ensued as to whether it would not do to hunt up these letters next day. But ultimately Mr. O’Donoghue and Pierre Levielle went in search of the documents and found them. He then delivered them up to the meeting.

Before reading any additional documents, Mr. SMITH said he wanted one which was in Mr. McTavish's possession and had been sent for.

Mr. RIEL moved that any other documents Mr. Smith had to produce should be read in the meantime.

Bishop MACHRAY moved in amendment that if it did not suit Mr. Smith to proceed with the reading he should be allowed to await the arrival of the documents he wanted.

Rev. Mr. BLACK seconded the amendment.

Mr. SMITH.—The paper I want is a Proclamation from the Governor-General, copies of which came into the Settlement, but where they are I do not know.

Archdeacon McLEAN said that if Mr. Smith was willing it might be well to hear what he had to read at once.

Mr. SMITH.—One of the documents I have is a copy of a paper delivered to me. It is a communication from the Queen, our Sovereign. It is the telegraph message referred to in one of the papers addressed to me, and which was put in my hands in Canada, very shortly after being received from England. It is a message from Earl Granville to Sir John Young, dated "Nov. 26."

"Make what use you think best of what follows:—The Queen has heard with surprise and regret that certain misguided persons have banded together to oppose by force the entry of the future Lieutenant-Governor into our Territory in Red River. Her Majesty does not distrust the loyalty of her subjects in that Settlement; and can only ascribe to misunderstanding, or misrepresentation, their opposition to a change planned for their advantage.

"She relies on your Government to use every effort to explain whatever misunderstandings may have arisen,—to ascertain their wants, and conciliate the good-will of the people of Red River Settlement. But, in the meantime, she authorizes you to testify to them the sorrow and displeasure with which she views the unreasonable and lawless proceedings which have taken place, and her expectation that if any parties have desires to express or complaints to make respecting their condition and prospects, they will address themselves to the Governor-General of Canada.

"The Queen expects from Her Representative that, as he will be always ready to receive well-founded grievances, so will he exercise all the power and authority she entrusted to him, in the support of order, and the suppression of unlawful disturbances."

On motion of Mr. ROBERT TAIT, seconded by Mr. MERCER, the Meeting adjourned till 10 o'clock the following day.

At noon, the following day, a still larger assemblage gathered at Fort Garry, further to hear Mr. Commissioner Smith.

Mr. THOMAS BUNN was again called to the chair.

Messrs. C. NOLIN, GRANT, JOSE MILIEN, TOUSSAINT LUCIE, VERMET, C. LARONEE, XAVIER PAGET and C. LAFONTAINE were appointed to keep order in the crowd.

Mr. RIEL moved that JUDGE BLACK resume the office of Secretary.

JUDGE BLACK declined.

On motion of Mr. R. McBEATH, seconded by Mr. A. DAHL, Mr. A. G. B. Bannatyne was appointed Secretary.

FATHER LESTANE came forward and said, amid cheers:—We have been good friends to this day in the whole Settlement, and I want to certify here that we will be good friends to-night.

Mr. Riel translated the remarks into French, and the Rev. Henry Cochrane into Indian.

Mr. SMITH again came forward to finish reading the documents. This, he said, is a Letter from the Governor-General to Mr. McTavish:—

SIR,

"Government House, Ottawa,
"December 6th, 1869.

"I have the honour to address you in my capacity as Representative of the Queen, and Governor-General of Her Majesty's British North American possessions, and enclose, for your information, a Copy of a Message received from Earl Granville, in reply to the account which I sent officially of the events occurring in Red River Settlement. The Message conveys the matured opinion of the Imperial Cabinet. The Proclamation I have issued is based on it; and you will observe that it refers all who have desires to express, or complaints to make, to me, as invested with authority on behalf of the British Government. And the inhabitants of Rupert's Land, of all classes and persuasions, may rest assured that Her Majesty's Government has no intention of interfering with, or setting aside, or allowing others to interfere with, the religion, the rights, or the franchise hitherto enjoyed, or to which they may hereafter prove themselves equal.

"Make what use you think best of this communication, and of the enclosed.

"I have, &c.

"W. McTavish, Esq.,
"Governor of Assiniboia."

"(Signed) JOHN YOUNG.

Mr. SMITH.—The next Document I will read is a communication from Mr. Howe to Mr. McDougall. I read it, not because I have any connection with Mr. McDougall, but because it is referred to in my Commission:—

"Office of the Secretary of State of the Provinces,
"Ottawa, December 7th, 1869.

SIR,

"I had the honour to address to you Despatches on the 19th and 26th November, but for fear they have miscarried, I duplicate them to you. I have the honour also to send you an Order-in-Council, passed this day, on the subject of customs duties.

"You will now be in a position to assure the residents of the North-West Territories:

"1. That all their civil and religious liberties will be sacredly respected.

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"2. That all their properties, rights, and privileges of every kind, as enjoyed under the Government of the Hudson Bay Company, will be continued.

"3. That in granting titles to land now occupied by the settlers, the most liberal policy will be pursued.

"4. That the present tariff of customs duties will be continued for two years from the 1st of January next, except in the case of spirituous liquors, as set forth in the Order-in-Council above alluded to.

"5. That in forming your Council, the Governor General will see that not only the Hudson Bay Company, but the other classes of the residents are fully represented.

"6. That your Council will have the power to establish municipal self-government at once, and in such a manner as they may think most beneficial to the country.

"7. That the country will be governed, as in the past, by British law, and according to the spirit of British justice.

"8. That the present government is to be considered as merely provisional and temporary, and that the Government of Canada will be prepared to submit a measure to Parliament, granting a liberal constitution, so soon as you, as Governor, and your Council, have had the opportunity of reporting fully on the wants and requirements of the Territory.

"You had, of course, instructions on all the above-mentioned points, except the tariff, before you left Ottawa. But it has been thought well that I should repeat them to you in this authoritative form.

"Trusting that before long you may be enabled to carry these liberal propositions into practice, in administering the affairs of the North-West.

"I have the honour, &c.,

"JOSEPH HOWE,

"Secretary of State for the Provinces.

"Hon. William McDougall, Pembina."

Mr. REIL translated the above.

Mr. SMITH said—As reference has repeatedly been made in these papers to Mr. McDougall, I may say, that neither with that gentleman nor any of his party have I any, even the slightest acquaintance, having never seen him or any of his people, save for a few minutes on the road from Pembina to Georgetown. And at this present moment I have not written a single word either to him or any of his party. My commission is simply alone from the Government of Canada. Though personally unknown to you, I am as much interested in the welfare of this country as others. On both sides I have a number of relations in this land—not merely Scotch cousins—but blood relations. Besides that, my wife and her children are natives of Rupert's Land. Hence, though I am myself a Scotchman, people generally will not be surprised that I should feel a deep interest in this great country and its inhabitants. I am here to-day in the interests of Canada, but only in so far as they are in accordance with the interests of this country. Under no other circumstances would I have consented to act. As to the Hudson's Bay Company, my connection with that body is, I suppose, generally known; but I will say that if it could do any possible good to the country, I would at this moment resign my position in that Company. I sincerely hope that my humble efforts may in some measure contribute to bring about peaceable union and entire accord among all classes of the people of this land.

Mr. SMITH next read the following document, which was printed in English and French:—

"Office of the Secretary of State for the Provinces.

"SIR,—As you have been appointed Lieutenant-Governor of the North-West Territories, in anticipation of the formal transfer of these Territories by Her Majesty to the Dominion of Canada, and as it is expected that such transfer will be made within the course of the next two or three months, I have the honour, by command of His Excellency the Governor-General, to inform you that it is desirable that no time should be lost in making the necessary preliminary arrangements for the organisation of the Government of the Territories.

"2. With this view I am to instruct you to proceed with all convenient speed to Fort Garry, in order that you may effectually superintend the carrying out of the preliminary arrangements indicated in the preceding paragraph, and be ready to assume the government of the Territories on their actual transfer to Canada.

"3. On your arrival at Fort Garry, you will place yourself in communication with Mr. McTavish, the Governor of the Hudson's Bay Company, and notify him of your appointment. You will at the same time offer seats in your Council to Mr. McTavish, and to Mr. Black, or other chief judicial officer of the Hudson Bay Company now in the Territory. And should either or both of these gentlemen decline to accept office, you will submit to the consideration of His Excellency, the names of one or two other officers of the Company whom you consider eligible to act as members of the Council. You will, at the same time, submit the names of several of the residents, and of their character and standing in the Territory, unconnected with the Company, qualified to act as Coun-
cillors, giving particulars respecting them, and stating their comparative merits.

"4. You will have the goodness to report, with all convenient speed, for the information of His Excellency, on the state of the laws now existing in the Territories, transmitting copies of any laws, ordinances, or regulations of the Company now in force there, together with a full report as to the mode of administering justice, the organisation of the Courts, number and mode of appointment of Justices of the Peace, and the plans, arrangements, and means adopted for keeping the peace there.

"5. In preparing the report on the matters referred to in the preceding paragraph, it will be well that you meet and confer with the chief judicial officer of the Company in the Territories.

" 6. You will have the goodness to report also upon the system of taxation, if any, in force in the Territories, the system of licensing shops, taverns, &c., the mode of regulating or prohibiting the sale of wines, spirituous and malt liquors. Further, as to the mode of keeping up the roads; and generally, on the municipal organization, if any, existing in the Territories.

" 7. You will also make a full report upon the state of the Indian tribes now in the Territories, their names, numbers, and claims, the system heretofore pursued by the Hudson Bay Company in dealing with them, accompanied by any suggestions you may desire to offer with reference to their protection and the improvement of their condition.

" 8. You will have the goodness to report, also, on the nature and amount of the currency or circulating medium now employed in the Territories, and of the probable requirements of the Territories in that respect for the future.

" 9. You will also report on the system of education, if any, which obtains in the Territories.

" 10. You will also please to report as to such lands in the Territories as it may be desirable to open up at once for settlement, transmitting a plan of such survey as may be necessary, with an estimate of the cost of survey, a statement of the condition of grants of land and settlement. The plan should show the number of townships it is proposed to lay out at once, the size and position of the townships, and the size of the lots, marking the necessary surveys for churches, schools, roads and other purposes.

" 11. You will also report upon the regulations at present existing between the Hudson Bay Company and the different religious bodies in the Territories.

" 12. You will also report as to the number of officers now employed by the Hudson Bay Company in the administration of their Government of the Territories, stating the duties and salaries of such officers and specifying those who should in your opinion be retained. You will also report as to the number of persons whom it will be necessary hereafter to employ in the administration of the Government; and you will report generally on all subjects connected with the welfare of the Territory upon which it may seem to you desirable to communicate with the Government of the Dominion.

" 13. It is desirable that you should take immediate measures for the extension of the Telegraph system from the Territories to Pembina, and for its connection at that place with the system of the American Telegraph Company or Companies, making any provisional arrangements for that purpose which may be necessary, and forwarding a copy of such arrangements to this Department for confirmation to His Excellency.

" I have the honour to be, &c.,

" Hon. W. McDougall, C.B., Ottawa."

" E. A. MEREDITH, Secretary of State.

After the reading of this document an adjournment for half an hour was proposed and adopted.

Business being resumed, Mr. Riel, seconded by Mr. Bannatyne, moved that 20 representatives shall be elected by the English population of Red River, to meet 20 other representatives of the French population, on Tuesday the 25th instant, at noon, in the Court House, with the object of considering the subject of Mr. Smith's commission, and to decide what would be best for the welfare of the country.—Carried.

Cheers were then given for Father Lestane, Bishop Machray, Father Richot, Mr. Riel, Mr. O'Donoghue, and the Commissioners.

A voice—That resolution seems to cast a doubt on Mr. Smith's commission.—We do not doubt it.

Mr. Riel and Mr. O'Donoghue—We accept the commission as genuine, and are merely to consider what is to be done under it.

On motion of Judge Black, seconded by Mr. O'Donoghue, it was resolved that a committee, consisting of Thomas Bunn, Rev. J. Black, the Bishop of Rupert's Land, John Sutherland, and John Frazer, be appointed to meet and apportion the English representatives for the different parishes in the Settlement, and to determine the mode of election. Committee to meet to-morrow at noon, at the Bishop's.

Father Richot said that he was glad to be present, with the Bishop of Rupert's Land and the clergy of various denominations. All, he believed, came there with the best interests of the people at heart. They came there to see that order and good feeling prevailed, and to influence the people as far as they could in the direction of what was right and just. The clergy were also citizens, and as such, they were glad to be present and promote those objects.

Bishop Machray was sure that everyone would heartily respond to the kind feeling expressed, and do what was possible to promote union and concord. The rights of all present were the same, and on all reasonable propositions there could not be very much difference of opinion. For his part he had the greatest hope that their coming together on that occasion, and their gathering next week, as proposed, would lead to a happy settlement of public affairs. And therefore he hoped we would be as united in the future as we had been in the past.

Mr. Riel then addressed the meeting as follows:—Before this assembly breaks up, I cannot but express my feelings, however briefly. I came here with fear. We are not yet enemies, but we came very near being so. As soon as we understood each other, we joined in demanding what our English fellow-subjects in common with us believe to be our just rights. I am not afraid to say our rights; for we all have rights. We claim no half rights, mind you, but all the rights we are entitled to. Those rights will be set forth by our representatives, and, what is more, gentlemen, we will get them.

The meeting then adjourned.

CANADA.

Saint Paul, February 4th, 1870.

The 'New Nation' of the 21st contains a full report of a mass meeting held at Upper Fort Garry, continuing for two days, January 19th and 20th.

The crowd assembled on the 19th being very large, they adjourned into the open air, where the meeting was continued for five hours, notwithstanding the thermometer stood 20° below zero. Among those present were Donald Smith, Riel, Judge Black, De Salaberry, Thiebault, O'Donoghue, and others.

Riel moved, seconded by Pierre Leville, that Thomas Burns take the chair. Carried.

Judge Black was appointed Secretary, and Riel Interpreter.

The Chairman introduced Donald G. Smith, who came forward and read a document handed him in Canada, dated Ottawa, December 10th, and signed by the Hon. J. Howe, appointing him Special Commissioner to enquire into the cause and extent of the armed resistance to Governor McDougall, and requesting him to consult with and arrange matters with Governor McDougall and Governor McTavish, and ascertain what the people demanded.

He also read a letter handed to him at Ottawa signed by Governor-General Sir John Young, dated Ottawa, December 12th, which stated that Her Majesty's Government had no intention of acting, or permitting others to act, otherwise than in perfect good faith towards the inhabitants of the Red River district of the North-West; that fair protection would be extended to religious denominations of every persuasion, and the titles to every description of property would be perfectly regarded, and franchises which have existed shall be duly continued and allowed, that right shall be done in all cases, and would be carried out.

Mr. Smith then asked that Grand Vicar Thiebault should read the letter he brought with him from Canada, addressed to the Bishop of Rupert's Land and Governor McTavish.

Riel objected, and said he did not want the documents read. (Cries of "we will have them," and cheers).

The question as to who had these arose, and it was ascertained that O'Donoghue had taken possession of them.

Mr. Bannatyne moved that O'Donoghue be requested to produce the letters. (Motion carried amid cheers).

Mr. Bannatyne demanded that the letters be delivered up. Riel seconded the demand, and the letters were thereupon hunted up by O'Donoghue, and handed over by that worthy.

Mr. Smith then asked that a letter now in Governor McTavish's possession be produced.

It was read to the meeting. It was a letter containing a copy of a telegram from Earl Granville to Sir John Young, dated November 26th.

It says "Her Majesty does not distrust the loyalty of her subjects, and hopes all question of rights and wrongs may be carefully discussed, and hopes an amicable spirit may prevail and a satisfactory understanding be arrived at."

The meeting then adjourned till next day. The meeting re-assembled on the 20th, and was still larger than on the first day.

Judge Black refused again to act as Secretary. Mr. Bannatyne was appointed Secretary of the meeting.

Donald G. Smith then read a letter from Sir John Young to Mr. McTavish, December 6th, accompanying Earl Granville's message, declaring that Her Majesty's Government had no intention or idea of setting aside the titles of the Red River settlers.

The document was read amidst loud cheers from the assembly.

Mr. Smith then addressed the meeting at some length, and said "he had many friends and blood relations in the Red River country, and, as a Scotchman, felt some interest in the country, and wished to see it prosper. He was not acting in the interests of Canada, but only so far as they were in accordance with the interests of the Red River country. He believed a calm discussion of affairs could do no harm, but clear up everything satisfactorily."

He then read a copy of instructions given by the Canadian Government to Governor McDougall, signed by Secretary Meredith.

After recess, business was resumed.

Riel moved, seconded by Mr. Bannatyne, that twenty representatives be elected by the English settlers to meet twenty French representatives, on Tuesday, the 25th, at noon, at the Court House, to consider the Commission, and decide what would be best for the welfare of the country.

Cheers were then given for Fathers Lestune, Mahrey, and Richot; Mr. Riel and O'Donoghue, and the Commissioners.

A Voice—"The resolution seems to cast doubt on Smith's Commission."

Riel and O'Donoghue—"We accept the Commission as genuine. The Council is merely to consider what should be done."

Fathers Mahrey and Richot briefly addressed the meeting, and said they hoped an amicable arrangement would be arrived at, and that their present uncertain state would be ended as soon as possible.

Riel then said: "Before the meeting breaks up I cannot but express my feelings. I came here with fear. We are not enemies. But we came near being so. As soon as we understood each other, we joined in demanding what our English fellow-subjects, in common with us, believe to be our just rights. I am not afraid to say our rights. We claim all the rights we are entitled to. Those rights will be set forth by our representatives, and what is more, gentlemen, we will get them."

The meeting then adjourned.

Another despatch of the same date is as follows:—

The 'New Nation' of the 21st, in an editorial, denounces what it calls the wretched abortion called

RED RIVER SETTLEMENT.

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the Administration of Canada, for its folly in ignoring the wishes of the 15,000 inhabitants of Red River, saying that any other Government would have at least thought of delegating some Agent or Commissioners to enquire into the wants and wishes of a people whom they expected to rule.

The same paper contains a call for a meeting in the different parishes to elect delegates to join a convention of all classes of citizens to meet on the 25th, to consider Mr. Smith's commission and decide what shall be done under it.

The annexation tone of the 'New Nation' is quieting down.

CANADA.

No. 18.

No. 18.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(No. 38.)

Government House, Ottawa, Canada,
15th February, 1870.

(Received 11th March, 1870.)

MY LORD,

I had the honour to send to your Lordship to day the following telegraphic message:—

"The latest news from Red River is, that a Convention, half French, half English, met on the 25th January. Riel opened the proceedings with a loyal speech. Smith joined in the proceedings as Commissioner for Canada. After a discussion which lasted three days, a joint Commissioner was appointed to draw up a new and modified Bill of Rights. Dominion to have ample time allowed it to consider terms. Appearances are highly satisfactory."

No. 19.

No. 19.

EXTRACT from a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G., dated Government House, Ottawa, Canada, 17th February, 1870. (Confidential.)

(Received 12th March, 1870.)

(Answered, confidential, 23rd March, 1870, page 176.)

I have the honour to enclose a copy of the commission or paper of credentials with which Mr. Donald Smith was furnished on his setting out for Fort Garry.

17th Dec.,
1869.

Your Lordship will observe that he was only empowered to make inquiries and report the result.

* * * * *

Bishop Taché leaves Ottawa to day *en route* for the Red River, and I enclose a copy of the Letter of Instructions which I have addressed to him.

16th Feb.,
1870.

(Signed)

* * * *

CANADA.

VICTORIA, by the Grace of GOD, of the United Kingdom of Great Britain and Ireland, QUEEN, Defender of the Faith, &c., &c., &c.

To DONALD A. SMITH, of the City of Montreal, in the Province of Quebec and Dominion of Canada, Esquire, and to all others to whom the same may in any wise concern.

GREETING: !

WHEREAS by an Act of the Parliament of Canada, passed in the thirty-second and thirty-third years of Our Reign, intituled, "An Act for the temporary Government of Rupert's Land and the North-West Territory when United to Canada," it is recited that it is probable that WE may be pleased to admit Rupert's Land and the North-West Territory into the Union of the Dominion of Canada before the then next Session of the Canadian Parliament, and that it is expedient to prepare

CANADA.

for the transfer of the said Territories from the Local Authorities to the Government of Canada at the time appointed by Us for the Civil Government of such Territories, until more permanent arrangements can be made by the Government and Legislature of Canada; and it is by the said Act in effect enacted that our Governor may authorize and empower such Officer as he may appoint as Lieutenant-Governor of the North-West Territories, and who shall administer the Government as by the said Act contemplated.

And whereas in the preparation for the transfer of the said Territories our Governor of Canada was pleased to send the Honourable William McDougall, the Gentleman selected to be the Lieutenant-Governor as aforesaid on its Union with Canada, in advance and in anticipation of the Union, and his entry into the said Territories was obstructed and prevented by certain armed parties, who had declared their discontent and dissatisfaction at the proposed Union, and their intention to resist the same by force.

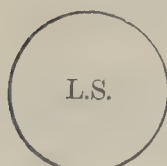
And whereas it is expedient that inquiry should be had into the causes and extent of such obstruction, opposition, and discontent, as aforesaid.

Now know ye that, having confidence in your honesty, fidelity, and integrity, We do by these presents nominate, constitute, and appoint you, the said Donald A. Smith, to be Our Special Commissioner to inquire into the causes, nature, and extent, of the obstruction, offered at the Red River in the North-West Territories to the peaceable ingress of the Honourable William McDougall, and other parties authorized by Our Governor-General of Canada to proceed into the same, and also to inquire into the causes, and discontent, and dissatisfaction, alleged to exist in respect to the proposed Union of the said North-West Territories with the Dominion of Canada, and further, to explain to the inhabitants of the said Country the principles on which the Government of Canada intends to administer the Government of the Country according to such instructions as may be given to you by Our Governor in Council in this behalf, and to take steps to remove any misapprehensions which may exist in respect to the mode of Government of the same, and to report to Our Governor-General the result of such inquiries, and on the best mode of quieting and removing such discontents and dissatisfaction, and also to report on the most proper and fitting mode for effecting the speedy transfer of the Country and Government from the authority of the Hudson's Bay Company to the Government of Canada, with the general assent of the inhabitants.

And further, to consider and report on the most advisable mode of dealing with the Indian Tribes in the North-West Territories.

To have and to hold the said Office of Commissioner for the purposes aforesaid unto you, the said Donald A. Smith, during pleasure.

In testimony whereof



Department of the Secretary of State of Canada, Registrar's Branch,
Ottawa, 26th January, 1870.

I hereby certify the foregoing to be a true and faithful Copy of the Record of the Original Letter Patent as entered in Lib. 1, Folio 30.

(Signed) J. C. AIKINS,
Secretary of State and Registrar-General of Canada.

Enclosure 2
in No. 19.

Enclosure 2 in No. 19.

The Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., to
the Right Rev. Bishop TACHÉ.

MY DEAR LORD BISHOP,

Government House, February 16th, 1870.

I am anxious to express to you before you set out the deep sense of obligation which I feel is due to you for giving up your residence at Rome, leaving the great and interesting affairs in which you were engaged there, and undertaking at this inclement season the long voyage across the Atlantic, and long journey across this Continent, for the purpose of rendering service to Her Majesty's Government, and engaging in a mission in the cause of peace and civilization. Lord Granville was anxious to avail of your valuable assistance from the outset, and I am heartily glad that you have proved willing to afford it so promptly and generously. You are fully in possession of the views of my Government, and the Imperial Government, as I informed you, is earnest in the desire to see the North-West Territory united to the dominion on equitable conditions. I need not attempt to furnish you with any instructions for your guidance beyond those contained in the telegraphic message sent me by Lord Granville on the part of the British Cabinet in the Proclamation which I drew up in accordance with that message, and in the letters which I addressed to Governor McTavish, your Vicar-General, and Mr. Smith. In this last letter I wrote, "All who have complaints to make, or wishes to express, to address themselves to me, as Her Majesty's Representative, and you may state with the utmost

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"confidence that the Imperial Government has no intention of acting otherwise, or permitting others to act otherwise, than in perfect good faith towards the inhabitants of Red River District, and of the North-West.

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"The people may rely that respect and attention will be extended to the different religious persuasions, that title to every description of property will be carefully guarded, and that all the franchises which have subsisted, or which the people may prove themselves qualified to exercise, shall be duly continued, or liberally conferred.

"In declaring the desire and determination of Her Majesty's Cabinet you may safely use the terms of the ancient formula, that right shall be done in all cases."

I wish you, my dear Lord Bishop, a safe journey, and success in your benevolent mission.

Believe me, with all respect, faithfully yours,
 The Right Reverend Bishop Taché, (Signed) JOHN YOUNG.
 &c. &c. &c.

No. 20.

No. 20.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart,
 G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

Government House, Ottawa, Canada,
 February 22, 1870.

(Received 11th March, 1870.)

(No. 46)
 MY LORD,

With reference to my Despatch No. 30 * of the 9th instant, forwarding copies of correspondence with reference to the North-west Territory, I have the honour to forward herewith some further papers which ought to have been enclosed in that despatch.

* Page 82.

I have, &c.,

The Earl Granville, K.G., (Signed) JOHN YOUNG.
 &c. &c. &c.

(No. 46)

Enclosures in No. 20.

SIR,

Ottawa, 4th February, 1870.

I have the honour to transmit to you herewith, for the information of his Excellency the Governor-General, a copy of a letter addressed by me on the 24th ultimo to the Honourable William McDougall, C.B., together with a copy of his reply thereto, dated the 29th of that month.

Enclosures
 in No. 20.
 (No. 46.)

I have, &c.,

(Signed) JOSEPH HOWE,
 Secretary of State for the Provinces.

F. Turville, Esq.,
 Governor's Secretary.

Department of the Secretary of State for the Province,
 January 24th, 1870.

SIR,

In your official report from Pembina, under date the 29th November last (No. 1089) you mention your having "prepared a Proclamation to be issued on the first day of December," in reference to the transfer of the North-west Territories to Canada. In a subsequent letter (No. 1108), dated the 2nd December last, you report having given copies of this Proclamation in English and French to Colonel Dennis to take with him to Fort Garry. It is also stated in the last mentioned letter that you had *commissioned* Colonel Dennis to act as your Lieutenant, and as a Conservator of the Public Peace, but that you deemed it prudent not to forward at that moment a copy of the commission.

As up to the present moment I have not received a copy of either the Proclamation or the Commission above referred to, may I request that you will have the goodness to furnish me with copies of both of those documents, with a view to their being added to your other communications in relation to the North-west Territories.

I have, &c.,

The Honourable William McDougall, C.B. (Signed) JOSEPH HOWE, Secretary.

CANADA.

SIR,

Ottawa, January, 29th, 1870.

I have the honour to acknowledge the receipt, while at Toronto, of your letter of the 24th instant, informing me that you had not, up to that date, received copies of two documents, a Proclamation and a Commission, referred to in my official reports from Pembina of the 29th November, and of the 2nd December last, and requesting me to furnish you with copies of those documents.

Until I received your letter, I was under the impression that you had received printed copies of both the papers referred to, and as they had appeared in Canadian as well as American newspapers before I left Pembina, it did not occur to me that written copies would be deemed necessary.

I have now the honour, in accordance with your request, to enclose a copy of the Proclamation (A 9), and also a copy of the Commission to Colonel Dennis (B 9).

I have, &c.,
(Signed)

WILLIAM McDougall.

Hon. J. Howe, Secretary of State for the Provinces,
&c. &c. &c.

(A 9)

L.S.

(Signed) WILLIAM McDougall.

Victoria by the Grace of God of the United Kingdom of Great Britain and Ireland,
Queen, Defender of the Faith, &c., &c., &c.

To all whom it may concern—Greeting.

PROCLAMATION.

WHEREAS by "The British North America Act, 1867," it was (amongst other things) enacted that it should be lawful for Her Majesty by and with the advice of Her Majesty's Most Honourable Privy Council, on Address from the Houses of the Parliament of Canada, to admit Rupert's Land and the North-western Territory, or either of them, into the Union or Dominion of Canada on such terms and conditions as are in the Address expressed, and as Her Majesty thinks fit to approve.

And whereas for the purpose of carrying into effect the said provisions of "The British North America Act, 1867," "The Rupert's Land Act, 1868," enacted and declared that it should be competent for "the Governor and Company of Adventurers of England trading into Hudson Bay," to surrender to Her Majesty, and for Her Majesty, by any Instrument under her Sign Manual and signet to accept a surrender of all or any of the Lands, Territories, Powers, and authorities whatsoever, granted or purported to be granted by certain Letters Patent of His Late Majesty King Charles the Second to the said Governor and Company within Rupert's Land upon such terms and conditions as should be agreed upon by and between Her Majesty and the said Governor and Company.

And whereas by "The Rupert's Land Act, 1868," it is further enacted, that from the date of the admission of Rupert's Land into the Dominion of Canada, as aforesaid, it shall be lawful for the Parliament of Canada to make, ordain, and establish within the said Land and Territory so admitted as aforesaid all such laws, institutions, and ordinances, and to constitute such courts and officers as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein.

And whereas, it is further provided by the said Act, that until otherwise enacted by the said Parliament of Canada, all the powers, authorities, and jurisdiction of the several Courts of Justice now established in Rupert's Land, and of the several Officers thereof, and of all Magistrates and Justices now acting within the said limits shall continue in full force and effect therein.

And whereas the said Governor and Company have surrendered to Her Majesty, and Her Majesty has accepted a surrender of all the Lands, Territories, Rights, Privileges, Liberties, Franchises, Powers, and authorities granted, or purported to be granted by the said Letters Patent, upon certain terms and conditions agreed upon by and between Her Majesty and the said Governor and Company.

And whereas Her Majesty, by and with the advice of Her Majesty's Most Honourable Privy Council, and on an Address from both the Houses of the Parliament of Canada, in pursuance of the One hundred and forty-sixth Section of "The British North America Act, 1867," hath declared that Rupert's Land, and the North-western Territory, shall from the *first day* of December, in the year of Our Lord One thousand eight hundred and sixty-nine, be admitted into and become part of the dominion of Canada, upon the terms and conditions expressed in the said Address of which Her Majesty has approved, and *Rupert's Land* and the said *North-western Territory* are admitted into the Union, and have become part of the *Dominion of Canada* accordingly.

And whereas the Parliament of Canada, by an Act entitled "An Act for the Temporary Government of Rupert's Land and the North-western Territory when United with Canada," enacted that it should be lawful for the Governor by any order or orders to be by him from time to time made,

RED RIVER SETTLEMENT.

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CANADA.
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with the advice of the Privy Council (and subject to such conditions and restrictions as to him should seem meet) to authorise and empower such officer as he may from time to time appoint as Lieutenant-Governor of the North-west Territories, to make provision for the administration of justice therein, and generally to make, ordain, and establish all such Laws and Institutions, and Ordinances as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein.

Now know ye that we have seen fit by our Royal Letters Patent bearing date the Twenty-ninth day of September, in the year of Our Lord One thousand eight hundred and sixty-nine, to appoint the Honourable William McDougall, of the City of Ottawa, in the Province of Ontario, in our dominion of Canada, and member of our Privy Council for Canada, and Companion of our Most Honourable Order of the Bath, on, from, and after the day to be named by us, for the admission of Rupert's Land and the North-western territory aforesaid into the Union or Dominion of Canada, to wit, on, from, and after the first day of December, in the year of Our Lord One thousand eight hundred and sixty-nine, to be during our pleasure the *Lieutenant-Governor* of the North-west Territories.

And we did thereby authorise, and empower, and require, and command him in due manner to *do* and *execute* in all things that shall belong to his said command, and the *trust* we have reposed in him according to the several provisions and instructions granted or appointed him by virtue of our said Commission and the Act of the Parliament of Canada herein before recited, and according to such instructions as have been, or may from time to time be given to him, and to such laws as are or shall be enforced within the North-west Territories.

Of all which our loving subjects of our said Territories, and all others whom these presents may concern, are hereby required to take notice and govern themselves accordingly.

In testimony whereof we have caused these our Letters to be made Patent, and the Great Seal of our North-west Territories to be hereunto affixed: Witness our trusty and well beloved the Honourable William McDougall, member of our Privy Council for Canada, and Companion of our Most Honourable Order of the Bath, Lieutenant-Governor of our North-west Territories, &c., &c., at the Red River, in our aforesaid North-west Territories, this First day of December, in the year of Lord One thousand eight hundred and sixty-nine, and in the Thirty-third year of our Reign.

(By command) J. A. N. PROVENCHER, Secretary.

(B 9)

THE NORTH-WEST TERRITORIES.

L.S.

By His Excellency the Honourable WILLIAM McDOUGALL, a Member of Her Majesty's Privy Council for Canada, and Companion of the Most Honourable Order of the Bath, Lieutenant Governor of the North-west Territories.

To JOHN STOUGHTON DENNIS, Esquire, Lieutenant-Colonel Military Staff, Canada.

GREETING :

WHEREAS large bodies of armed men have unlawfully assembled on the high road between Fort Garry and Pembina, in the Colony or District of Assiniboine, and have with force and arms arrested and held as prisoners numerous private and official persons, and preventing them from proceeding on their lawful journey and business, and have committed other acts of lawless violence, in contempt and defiance of the Magistrates and local authorities: And whereas William McTavish, Esquire, Governor of Assiniboine, did on the Sixteenth day of November last publish and make known to these armed men, and all others whom it might concern, that the lawless acts aforesaid, and which were particularly set forth in his Proclamation, were "contrary to the remonstrances and protests "of the public authorities," and did therein himself protest against each and all of the said unlawful acts and intents, and charged and commanded the said armed persons to immediately disperse themselves, and peaceably to depart to their habitations or lawful business, under the pains and penalties of the law.

And whereas, since the issue of the said protest or Proclamation, certain of the armed men aforesaid have taken possession of the Public Records and papers at Fort Garry, and have seized and held as prisoners the public officers or persons having charge of the same, and, as I am credibly informed, still keep unlawful possession of the said Records and public property, and with force and arms continue to obstruct public officers and others in the performance of their lawful duty and business to the great terror, loss, and injury of Her Majesty's peaceable subjects, and in contempt of Her Royal authority: And whereas Her Majesty, by Letters Patent under the Great Seal of the Dominion of Canada, bearing date the Twenty-ninth day of September, in the year of Our Lord One thousand eight hundred and sixty-nine, has been graciously pleased to appoint me to be, from and after the First day of December instant, Lieutenant-Governor of the North-west Territories, and did authorise and command me to do and execute all things in due manner that should belong to my said command.

CANADA.

Know you that reposing trust and confidence in your courage, loyalty, fidelity, discretion, and ability, and under and in virtue of the authority in me vested, I have nominated and appointed, and by these presents do nominate and appoint you, the said John Stoughton Dennis, to be my Lieutenant and a Conservator of the Peace in and for the North-west Territories; and do hereby authorise and empower you as such to raise, organise, arm, equip, and provision a sufficient force within the said Territories, and with the said force to attack, arrest, disarm, or disperse the said armed men so unlawfully assembled and disturbing the public peace; and for that purpose, and with the force aforesaid, to assault, fire upon, pull down, or break into any fort, house, stronghold, or other place in which the said armed men may be found: And *I hereby authorize* you, as such Lieutenant and Conservator of the Peace, to hire, purchase, impress, and take all necessary clothing, arms, ammunition, and supplies, and all cattle, horses, waggon, sleighs, or other vehicles which may be required for the use of the force to be raised as aforesaid: *And I further authorize you* to appoint as many *Officers* and *Deputies* under you, and to give them such orders and instructions from time to time as may be found necessary for the due performance of the services herein required of you, reporting to me the said appointments and orders as you shall find opportunity for confirmation or otherwise.

And I hereby give you full power and authority to call upon all Magistrates and Peace Officers to aid and assist you, and to order all or any of the inhabitants of the said North-west Territories in the name of Her Majesty the Queen, to support and assist you in protecting the lives and properties of Her Majesty's loyal subjects, and in preserving the *public peace*, and for that purpose to seize, disperse, or overcome by force the said armed men, and all others who may be found aiding or abetting them in their unlawful acts.

And the said persons so called upon in Her Majesty's name are hereby ordered and enjoined at their peril to obey your orders and directions in that behalf, and this shall be sufficient *Warrant* for what you or they do in the premises so long as this commission remains in force.

Given under my hand and seal at arms at Red River, in the said Territories, the First day of December, in the year of Our Lord One thousand eight hundred and sixty-nine, and in the thirty-third year of Her Majesty's reign.

WILLIAM McDougall.

(By command) J. A. N. Provencher, Secretary.

No. 21.

No. 21.

COPY of a TELEGRAM from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

Ottawa, 28th February, 1870.

There is not as yet a certainty that a delegation has been or will be appointed to come from Fort Garry, although it is probable one will be appointed. I will telegraph so soon as any certain information is received. I have sent despatch on this subject.

The Earl Granville, K.G.,
&c. &c. &c.

JOHN YOUNG.

No. 22.

No. 22.

COPY of a DESPATCH from Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 47.)

Government House, Ottawa, Canada,
February 28th, 1870.

MY LORD,

Received March 18th, 1870.

24th Feb.,
1870.

I have the honour to forward herewith a Copy of a Letter from the Secretary of State for the Provinces, of the 24th instant, enclosing copies of further Correspondence with reference to the North-West Territory.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed)

JOHN YOUNG.

RED RIVER SETTLEMENT.

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Enclosures in No. 22.

CANADA.

The SECRETARY of STATE for the Provinces to the GOVERNOR-GENERAL'S SECRETARY.

SIR,

Ottawa, 24th February, 1870.

I have the honour to transmit to you, herewith, for the information of his Excellency the Governor-General, copies of documents on the subject of the recent disturbances in the North-West Territories.

J. Turville, Esq., Governor-General's
Secretary, Ottawa.

I have, &c.,
(Signed) JOSEPH HOWE.

Department of Secretary of State for the Provinces,
Ottawa, 16th February, 1870.

MY LORD,

I am commanded by His Excellency the Governor-General to acknowledge and thank you for the promptitude with which you placed your services at the disposal of this Government, and undertook a winter voyage and journey, that you might, by your presence and influence, aid in the repression of the unlooked for disturbances which had broken out in the North-West.

I have the honour to enclose for your information:—

1. A copy of the Instructions given to the Honourable William McDougall on the 28th September last.
2. Copy of a further Letter of Instructions addressed to Mr. McDougall on the 7th November.
3. Copy of a Letter of Instructions to the Very Reverend Vicar-General Thibault on the 4th December.
4. Copy of a Proclamation issued by his Excellency the Governor-General, addressed to the inhabitants of the North-West Territories by the express desire of the Queen.
5. Copy of a Letter addressed to the Secretary of State, by Donald A. Smith, Esq., of Montreal, on the 24th November.
6. Copy of a Letter of Instructions addressed by me to Mr. Smith on 10th December last.
7. A semi-official letter, addressed by the Minister of Justice on the 3rd January, 1870, to Mr. Smith, also
8. Copy of the Commission issued to Mr. Smith on the 17th January, 1870.

Copies of the Proclamations issued by Mr. McDougall, at, or near Pembina, and of the Commission issued to Colonel Dennis, having been printed in the Canadian papers, and widely circulated at the Red River, are, it is assumed, quite within your reach, and are not furnished; but it is important that you should know that the proceedings by which the lives and properties of the people of Rupert's Land were jeopardized for a time, were at once disavowed and condemned by the Government of this Dominion, as you will readily discover in the Despatch addressed by me to Mr. McDougall, on the 24th of December, a copy of which is enclosed.

Your Lordship will perceive, in these papers, the policy which it was, and is, the desire of the Canadian Government to establish in the North-West. The people of Canada have no interest in the erection of institutions in Rupert's Land which public opinion condemns, nor would they wish to see a fine race of people trained to discontent and insubordination by the pressure of an unwise system of government, to which British subjects are unaccustomed or averse. They look hopefully forward to the period when institutions, moulded upon those which the other Provinces enjoy, may be established, and in the meantime would deeply regret if the civil and religious liberties of the whole population were not adequately protected by such temporary arrangements as it may be prudent at present to make.

A Convention has been called, and is now sitting at Fort Garry, to collect the views of the people as to the powers which they may consider it wise for Parliament to confer, and the Local Legislature to assume. When the proceedings of that Conference have been received by the Privy Council, you may expect to hear from me again; and in the meantime, should they be communicated to you on the way, his Excellency will be glad to be favoured with any observations that you may have leisure to make.

You are aware that the Very Reverend the Vicar-General Thibault, and Messrs. Donald A. Smith and Charles de Salaberry, are already in Rupert's Land, charged with a commission from Government. Enclosed are Letters to those gentlemen, of which you will oblige me by taking charge, and I am commanded to express the desire of his Excellency that you will co-operate with them in their well-directed efforts to secure a peaceful solution of the difficulties in the North-West Territories, which have caused his Excellency much anxiety, but which, by your joint endeavours it is hoped may be speedily removed.

The Very Reverend the Bishop of St. Boniface.

I have, &c.,
(Signed) JOSEPH HOWE.

SIR,

Ottawa, 19th February, 1870.

I have the honour to transmit you herewith the copy of a Letter addressed to the Hon. the Minister of Public Works as to the occupation of a certain portion of my time while in the North-West Territory during the past season.

CANADA.

As my connection with late events in that country has, I am led to believe, been misunderstood by many people, I would respectfully ask that the letter referred to may accompany the other papers on this subject should the latter be sent down to the House of Commons.

The Hon. the Secretary of State for
the Provinces, Ottawa.

I have, &c.,
(Signed)

J. S. DENNIS, P. S. S.

SIR,

Ottawa, February 12th, 1870.

I have the honour to report to you as to the occupation of my time in the Red River Territory during that portion of the past season when not personally present superintending the surveys in progress under my instructions of the 10th July last.

With the exception of conferring with Mr. Hart and Mr. Webb, the Surveyors in charge of parties in the field, in the beginning of December, when sent into the Settlement by Mr. McDougall as to the progress of the work, and giving them instructions for the future, the above period embraces all the time subsequent to the 29th of October.

During this time my services have been, at his request, given to the Hon. William McDougall, to aid, by different means, as suggested by himself, to obtain his admission to the Territory of which he was sent to administer the Government.

It may be asked,—

1. Why, when I was sent to the Territory to take charge of and superintend the surveys, I left my work to go to meet Mr. McDougall at all? And
2. Why I did not return, having seen that gentleman, and go on with my surveying operations?

I answer as follows:—

I acted entirely from a sense of duty, as the only officer or representative in any way of the Canadian Government at the time in the Settlement, to prevent, if possible, a threatened outrage on the person of a gentleman sent to the Territory with a Commission as Lieutenant-Governor; which sense of duty was enhanced by the fact that, as Minister of Public Works, the same gentleman had up to that time given me all my orders, and from him also, as told me by himself, I was to receive all future orders in the event (which when I left Canada in July had been spoken of) of his being appointed Lieutenant-Governor.

In order to show the ground for assuming that duty required me to take the above course, I beg to submit the following:—

The outbreak of a portion of the population in the Settlement having for its ostensible object the preventing, at all hazards, the Honourable Gentleman named from entering the Territory, occurred on the 21st October, and was of a character to call forth the liveliest apprehensions as to the personal safety of that gentleman should he continue his journey north of the boundary line.

The Council of Assiniboine, with members of which I was in daily conference, held several meetings in the emergency, and advised that Mr. McDougall should, if possible, be communicated with, and requested to stop at Pembina until informed that it would be safe for him to continue his journey to Fort Garry, and at the meeting of Council on the 29th October, it was resolved to send Mr. McDougall a despatch to that effect.

I had myself written Mr. McDougall fully as to the state of affairs, enclosing the affidavit of Mr. Walter S. Hyman, showing that his (Mr. McDougall's) life might be endangered by his coming on till advised that the opposition was withdrawn, but by this time the party in arms had seized the mails and subjected all travellers to such a rigid examination, that it was very uncertain whether my letters had reached their destination.

It was a time of much excitement.

It was evident to me that the Hudson Bay Company were powerless to deal with the outbreak.

Time was pressing, as Mr. McDougall was expected to reach Pembina at about that date. I was a stranger then, and, under the peculiar circumstances, knew not whom I could safely trust, and I therefore charged myself with the duty of delivering Governor McTavish's despatch, and of advising Mr. McDougall personally as to the impending danger, and further to inform him as to the views and feelings (with which I had made myself acquainted) of the English-speaking people in the Settlement.

The despatch referred to was put into my hands at 10:30 p.m. on the 29th October. On the following morning at 3 o'clock I left Fort Garry, and, passing the camp of the malcontents by a détour, rode through to Pembina, meeting Mr. McDougall at the Hudson Bay Company's fort there the morning of the 1st November.

I delivered the despatch and informed him fully of the situation of affairs, and intended returning again to my office. The horses my guide, Mr. Wm. Hallett, and myself had ridden through were, however, so exhausted that it was necessary to allow them two or three days to recruit, and while remaining at the Hudson Bay's post at Pembina with that view, an armed party arrived on the 2nd November, despatched from the main body at the River Sale, and ordered me out of the Territory with Mr. McDougall and party.

My guide, Mr. Hallett, was seized, bound to a cart, and driven off a distance towards Fort Garry.

After a few days, I expressed the desire to Mr. MacDougall to return to Winnipeg, feeling confident I could get in, in some way, and that only in my office, and not interfering in any way with the refractory party I might probably be allowed to go on with my duties without being molested.

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The honourable gentleman named, however, expressed the wish that I should remain with him, stating that as I knew the character and temper of political parties in the settlement, he desired to make use of me; and further, that he was advised his commission would take effect on the 1st of the ensuing month, and when that time came around, should the malcontents still be in arms, he might require me to aid him in some measure by which his authority would be established.

Under the peculiarly harassing circumstances in which Mr. MacDougall was placed, I felt it incumbent on me from every point of view to comply with his request, and I remained with him till the evening of the 29th November.

During this time I arranged and kept up, through loyal French half-breeds, a regular and frequent, though necessarily secret, communication with my office, by which Mr. MacDougall was kept advised of events as they transpired in the settlement, and further was actively engaged the whole time in endeavouring to contribute to the comfort of that gentleman his family and party.

As the month drew to a close, I was informed by him that he had determined to send me through to the settlement with a Proclamation to be promulgated there on the 1st December, announcing the transfer of the Territory, and the taking effect of his commission as Lieutenant-Governor; and further, the advices from there at this time going to show that the English-speaking portion of the people had become so fearful as to the ultimate designs of the French party, that they would readily obey any call made upon them with authority to put down the outbreak; he also expressed the intention of giving me full magisterial powers to be used with that object should I find the temper of the people as above indicated. Mr. MacDougall stated his intention, as he said to give legal effect to the documents, to go to the Hudson Bay Post, or some point in British territory, on the morning of the 1st December, and execute the originals in the presence of Messrs. Provencher and Richards.

Accordingly, in order to arrive at Fort Garry on the 1st December, I left Pembina at 10.30 P.M. on the 29th November, travelled all that night, all the next day, and all the following night, the greater part of the time through the coldest storm experienced by me during the winter, and arrived in the Settlement at 5 o'clock A.M. on the day expected.

I made the Proclamation public, and, after consulting a number of the prominent residents, finding the people in favour of forcible measures, I took action under the commission issued to me by Mr. MacDougall.

As my proceedings in this matter are fully detailed in the report thereon now in the hands of the Government, it is unnecessary for me to repeat them here; it is sufficient to say that, finding it inexpedient after all to attempt aggressive measures, I returned to Pembina in accordance with Mr. MacDougall's instructions to that effect, arriving there on the 15th of the month. I would only say that during these fifteen days (and I may say nights also), I was occupied in a zealous and faithful discharge of what I conceived to be the highest duty I could render to the Government, that of endeavouring from day to day by such means as at the time seemed most likely to effect it, to bring about peace and order in the colony.

I acted in good faith throughout, not being aware till I met Colonel De Salaberry on the 23rd December on the plains, while on my way to Canada, that the Proclamation and Commission had been issued by Mr. MacDougall under a misapprehension of the facts (the transfer of the Territory not having taken place on the 1st December as supposed), and were worth no more than waste paper.

I may be permitted to say here, that although I had previously felt mortified and disappointed at not having been able to bring about peace by means of any kind, on hearing the statement of Colonel De Salaberry that feeling changed at once to one of heartfelt thankfulness that my proceedings had not been the cause (even to the extent of a drop) of bloodshed among the people.

Mr. MacDougall decided to return to Canada, and wished me to return with him. As he said he thought the information I had acquired in the Settlement might be made available by the Government here, I came away also without hesitation.

We left Pembina on the 18th December. Having met with an accident at Abercrombie, I was detained a few days on the way, arriving finally at Toronto on the 13th ult.

Since my return I have been occupied (that is to say when able to work, as I was laid up for a fortnight at home from the accident) during the whole time in preparing the accounts, reports, &c., for the department.

Trusting that the foregoing statement and explanation may be satisfactory,

I have, &c.,

The Hon. the Minister of Public Works, Ottawa.

(Signed)

J. S. DENNIS, P.S.S.

No. 23.

No. 23.

COPY of a DESPATCH from Governor Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(Confidential)
MY LORD,

Government House, Ottawa, Canada,
March 3rd, 1870.

I have the honour to transmit for your Lordship's information a newspaper extract which contains a correct account of recent transactions at the Red River:—

CANADA.

'Ottawa Citizen,' 2nd March, 1870.

With the general features of the Bill of Rights passed by the Convention at Fort Garry, our readers are generally acquainted. It demands that duties remain as at present for three years; that there shall be no direct taxation, except by the local legislature; that Canada shall bear all military, civil, and general governmental expenses so long as the country remains a territory; that during the same time the country shall be governed by a Lieut.-Governor, and a Legislature, three members of which may be nominated by the Governor-General, the remaining thirteen or seventeen to be elected by the people, as we learn from the *New Nation*, just come to hand; no interference in local affairs other than in Ontario and Quebec; that the Legislature shall have the right to pass laws over the Governor's veto; a homestead and pre-emption law; 25,000 dollars a year for schools and bridges; all public buildings to be erected by the Dominion; steam communication to Lake Superior in five years, and by rail to the American boundary; that English and French be spoken in the Legislature, the Courts, and by the Judge of the Supreme Court; that treaties be concluded between the Dominion and the Indians; three representatives in Parliament, one in the Senate, and two in the House of Commons; the guarantee of all present rights and privileges; the recognition of local customs, and that the two-mile hay privilege be converted into fee-simple ownership.

These are pretty extensive demands, and, in some respects, may require modification, although most of them can be conceded. The change in the form of government from that proposed by the Dominion is not great, except the demand for the unconstitutional privilege that the Legislature shall override the Governor's veto by a two-third vote. This is American, not British. We gather from the report of the Convention in the *New Nation*, that the delegates will be empowered to yield some of their demands; thus the Committee reported to the Convention to ask 15,000 dollars a year for schools and bridges, with the remark that they might as well ask plenty if they did not get it all. This looks as if they expected to abate their demands.

Another point noticeable was that the people of Red River did not wish to become a province at once like Ontario or Quebec, but to remain for some years like an American territory. This was shown by the substitution of territory for province, wherever the latter occurred in the resolutions, and by the form of government they demand a Legislature instead of a Council. It seems likely, from the moderate tone of the Convention, that all difficulties will be satisfactorily removed by negotiation.

Also a summary of the telegraphic news since received:—

It appears that Riel and his partizans, though often outvoted, and apparently outnumbered in the Convention, procured their own election to the principal offices of a provisional Government; or, as it may be surmized, seized them by force. To these proceedings a number of the English speaking inhabitants are opposed, and an appeal to arms on their part is threatened. On the 15th ultimo Major Boulton had raised a force of loyal Canadians, English and Indians, and proposed marching on the Fort which Riel held—trouble was expected.

* * * * *

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed)

JOHN YOUNG.

No. 24.

No. 24.

COPY of a DESPATCH from Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to EARL GRANVILLE, K.G.

(Confidential.)

Government House, Ottawa, Canada, March 9th, 1870.

MY LORD,

(Received March 29th, 1870.)

I had the honour to send to your Lordship to-day the following telegraphic message:—

"How soon is Lindsay coming out? The force ought to start for the Red River about 20th to 25th of April. One hundred boats are in a forward state of preparation, and carts for transport. Provisions have been ordered for one thousand men for six months packed in small parcels, so as to be easily carried over the Portages."

RED RIVER SETTLEMENT.

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No. 25.

CANADA.

No. 25.

COPY of a DESPATCH from Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(Confidential.)

Government House, Ottawa, Canada,
March 18th 1870.

MY LORD,

I had the honour to send to your Lordship to day the following telegraphic message;—

“Received your Telegram of yesterday. No news from Red River as yet of Delegates starting.”

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

No. 26.

No. 26.

COPY of a DESPATCH from Governor the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(Confidential.)

Government House, Ottawa, Canada,
March 31st, 1870.

MY LORD,

I had the honour to send to your Lordship to-day the following Telegraphic Message:—

“Mr. Smith from Red River is on his way to Ottawa, and expected to arrive on Saturday next. He reports all quiet up to the 14th instant. Bishop Taché arrived on the 11th. The Convention are in Session, discussing plans of adjustment with Canada. Smith says nothing about Delegates.”

I regret that I can give no positive information as to the Delegates, but Mr. Smith is silent on the point. All the information we have from him is a short Telegram to Sir J. A. Macdonald from St. Cloud. Neither do we yet know whether or not a rumour which has appeared in several papers, that Riel caused a man, of the name of Scott to be shot, is or is not true. I shall, however, get full particulars from Mr. Smith directly he arrives, and shall hope to be able to communicate them to your Lordship by the next Mail, or earlier, by Telegram, if of importance.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

P.S.

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No. 27.

No. 27.

COPY of a TELEGRAM from Governor the Rt. Hon. Sir JOHN YOUNG, Bart.,
G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

April 4th, 1870.

Received April 5th, 1870.

“Smith came here on Saturday from Fort Garry with bad news. A Canadian, called Scott, was by Riel’s orders tried by court-martial and shot, with the view, it is supposed, of compromising Riel’s followers before Taché had arrived. They say the Delegates are coming, but it is quite clear Riel will yield to nothing but force. Things now look, I think, very bad.”

CANADA.

No. 28.

No. 28.

COPY of a DESPATCH from Governor The Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No. 68.)

Government House, Ottawa, Canada,
April 7th, 1870.

M^r LORD,

Received April 29th, 1870.

I had the honour to send to your Lordship to-day the following Telegraphic
Message:—

“ Last of the Delegates is expected at St. Paul’s on Thursday the 14th. The others
“ arrived there to-day, and may reach Ottawa on Saturday the 9th.”

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

No. 29.

No. 29.

COPY of a TELEGRAM from Governor The Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

“ Ottawa, 11th April, 1870.

“ Canadian Government will accept the transfer at once provided the movement of
“ Troops is determined on, and will also pay any reasonable proportion of cost of expedi-
“ tion, say three-fourths. We expect Delegates to-day.”

No. 30.

No. 30.

EXTRACT of a DESPATCH from Governor the Right Hon. Sir JOHN YOUNG, Bart.,
G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(Confidential.)

Government House, Ottawa,
14th April, 1870.

MY LORD,

Received, May 6th, 1870).

* Not printed.

With reference to my Despatch (No. 76)* of yesterday’s date on the North-West,
I have the honour to state that General Lindsay was in Ottawa last week, and that he
and I had several conversations with the Ministers, as to the composition of and arrange-
ments connected with the force to be sent to the Red River in case the expedition be
finally decided on.

Nothing definite, of course, was settled, but several preliminaries were discussed,
without so far as I am aware eliciting any differences of opinion between the views of
General Lindsay, myself, or the Ministers of the Dominion.

* Page 116.

2. In my Telegram of 11th * April, I informed your Lordship of the Ministerial answers
to the questions put in your Lordship’s Telegrams of March 5th, and of the 9th instant,
and of their readiness to accept the transfer of the Territory simultaneously with the
movement of the Troops, their proposing to pay three-fourths of the cost of the expedi-
tion, and of their impression that they have complied with the condition of giving fair
terms to the Roman Catholics, inasmuch as Bishop Taché has stated his contentment
therewith.

* * * *

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

RED RIVER SETTLEMENT.

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No. 31.

CANADA.

No. 31.

COPY of a TELEGRAM from Governor the Right Hon. Sir JOHN YOUNG, Bart.,
K.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(Received, 4 P.M., 19th April, 1870).

" Arrest of the Delegates was not authorized by Dominion Government.

" A brother of Scott, the man who was shot, gave information on oath against two of
" the three Delegates as accessories before the fact."

No. 32.

No. 32.

COPY of a DESPATCH from Governor The Right Hon. Sir J. YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

(No 80.)

Government House, Ottawa, Canada,
April 21st, 1870.

(Received May 6th, 1870.)

MY LORD,

In my Despatch No. 76 * of the 13th instant, I announced the arrival of two of * Not printed.
the Delegates from the Red River—Pere Richot and Mr. Scott.

2. It is with much regret that I have now to inform your Lordship, that these two gentlemen have been arrested, at the instance of the brother of the unfortunate man Scott, who was shot. He laid information on oath against them, as accessories before the fact. The details of the case, which is still pending, are set forth in the accompanying Memorandum, which has been prepared in the Department of Justice, and I also send a newspaper account, extracted from the 'Globe.'

'Globe,'
April 15 and
16.

3. Nothing could well have been more untoward than this turn of affairs. In addition to the feelings to which it may give rise within the limits of the Dominion, it cannot fail to arouse anger, and possibly the desire for retaliatory measures, in the minds of Riel and his followers when the news reaches Fort Garry. It has prevented me from seeing the Delegates, and delayed the opening of negotiations. The Ministers join with me in deploring the event, but are unable to prevent a private individual, over whom they have no control, from availing himself at his discretion of the ordinary forms and process of law.

April 14,
1870.
'Globe,'
April 16 and
20.

4. Judge Black has arrived, and I have had two unofficial interviews with him, and perused the papers with which the Delegates have been furnished by Riel and his advisers.

5. I enclose a copy of a further letter which I have received from Dr. Lynch, and also two leading articles from the 'Globe,' an Ontario Opposition paper, having the largest circulation of any newspaper in Canada.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,

(Signed)

JOHN YOUNG.

Enclosures in No. 32.

Enclosures in
No. 32.

Department of Justice, Ottawa, April 21st, 1870.

The undersigned, in accordance with the desire expressed by your Excellency, has the honour to report that the facts connected with the arrest of the Rev. Mr. Richot (commonly known as Father Richot), and Mr. Alfred H. Scott, who had recently arrived from Red River, appear to be as follows:—

An information was laid by Hugh Scott, brother of Thomas Scott, who, it was stated, had been shot by order of Riel, in the North-West Territories, before Police Magistrate McNab, of Toronto, at that city, who thereupon issued a warrant.

It was transmitted by mail to Ottawa, and there, was received by a Constable, who executed it.

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The charge was, that the Prisoners actually aided and abetted in the murder of Thomas Scott, a British subject, in the Red River country.

They were arrested at Ottawa, on the morning of the 14th instant, and were brought before the Honourable Mr. Justice Galt, one of the Justices of the Court of Common Pleas for Ontario (who happened at the time to be holding the Assize Court, in Ottawa), by virtue of a writ of Habeas Corpus.

The Honourable J. Hillyard Cameron, Q.C., appeared for the Prisoners, and demanded their release, on the ground of illegal arrest. The warrant, he presumed, had been issued under the Imperial Statutes, 43 George III., cap. 138, and 1 and 2 George IV., cap. 66, by which, general powers were given to arrest and try persons charged with capital felonies, committed in the Red River country. He further argued that the Act provided that, as in the present case, while the parties had a temporary residence in Ottawa, Toronto Magistrates had no jurisdiction in the matter, and that the document should be executed by an Ottawa Magistrate.

The Judge remanded the Prisoners to nominal custody, under 32 and 33 Vict., cap. 30, sec. 42, and on the morning of the 15th gave judgment, discharging the Prisoners, on the ground that a Police Magistrate of the city of Toronto, had no jurisdiction in such case to issue a warrant, and that where an offence had been committed beyond the jurisdiction of the Canadian Courts, the warrant ought to be issued by a Magistrate, within whose jurisdiction the accused were residing.

Immediately upon the discharge of the Prisoners, they were re-arrested on a warrant signed by Mr. O'Gara, Police Magistrate of the city of Ottawa, issued upon information laid before him by the same Hugh Scott, the brother of the Scott deceased,—to the effect that there was reason to suspect that some person or persons unknown, on the 4th day of March, last past, on land out of Canada, to wit, at Fort Garry, &c., did feloniously kill and murder, one, Thomas Scott; and that one, Richot, known as Father Richot, and one, Alfred H. Scott, both of Fort Garry aforesaid, but then being in the city of Ottawa, and both being British subjects, did advise, aid, and abet, the said person or persons unknown, in the said murder and felony.

Upon this re-arrest, application was again made to Mr. Justice Galt, for a writ of Habeas Corpus. The writ was granted, and the Reverend Mr. Richot, and Mr. Scott, were remanded into nominal custody as before.

Subsequently, however, Scott (it is alleged, at his own request), was placed in close custody at the Police Station, in charge of the officer to whose custody he had been committed.

The matter remained over, in consequence of the absence of the Prisoners' Counsel, the Hon. J. H. Cameron, until the 20th instant, when the Prisoners were again brought before Mr. Justice Galt.

Mr. Cameron then stated, in effect, that the points upon which the second writ of Habeas Corpus had been moved, in his absence, were not tenable, and the Prisoners were therefore remanded until this day, the 21st instant, when they were to be brought up for examination before the Police Magistrate of Ottawa.

It may be added, that the prosecution did not originate with, nor is it in any way under the control of the Government of Canada, or of the Minister of Justice, who is the Attorney-General of the Dominion.

Under the "British North-America Act, 1867," the administration of criminal justice rests with the Attorney-General of the Province, and the prosecution having, in this case, originated at the instance of the brother of the deceased Scott, in the Province of Ontario, the official representation of the prosecution of the case would rest with the Attorney-General of that Province.

Since writing the foregoing, it appears that the Reverend Mr. Richot and Mr. Scott were brought up at 3 o'clock this afternoon, before the Police Magistrate, and, on application by the professional gentlemen representing the Prosecutor, were remanded until Saturday next, the 23rd instant, bail being taken in the meantime.

A copy of the evening paper, showing the evidence as taken, is herewith transmitted to your Excellency.

JOHN A. MACDONALD.

TRIAL OF THE DELEGATES.

This afternoon at three o'clock the delegates, Father Richot and Alfred Scott, were arraigned before M. O'Gara, Esq., in the Police Court, on charge of being accessory to the murder of Thomas Scott.

The police had great difficulty in keeping the stairway landing to the court clear, so great was the rush of persons to get in.

His Worship the Mayor and Judge Black sat beside the Magistrate.

Messrs. Lees and Boulton appeared for the prosecution. Mr. J. H. Cameron appeared for the defence.

Mr. Boulton said that one of the most important witnesses, Mr. Donald M. Smith, was absent in Montreal; they would however go on.

Judge Black sworn—My last place of residence was seven miles from Fort Garry, on the lower side of the river. I knew one Thomas Scott, residing in Fort Garry. The last time I saw him was in the month of November. Of my own personal knowledge I knew nothing of the shooting of Scott. I was not at Fort Garry the day before the shooting, or on the day of the shooting. I was at Winnipeg the day before Scott was shot. To my knowledge I have not seen Scott since November. I have seen Alfred Scott, the prisoner, several times on the road from Red River. I have had no conversation

with Scott on the subject of the shooting. If we ever mentioned the subject it was in the most casual way. Mr. Boulton requested the witness not to leave the room, as he might want him.

William Drever sworn—I am a storekeeper at Fort Garry. I left Winnipeg the 2nd February. One Thomas Scott was in jail at Fort Garry when I left. I did not see him arrested. I was a prisoner myself for a short time. I was not confined in jail with Scott. He had escaped before I was arrested. I know Alfred H. Scott, one of the prisoners; he resided in the town of Winnipeg. I saw him there shortly before I left. I did not see him until I saw him in Ottawa. I have had very little conversation with him on the subject of the shooting of Scott. I asked him if he knew anything about the death of Thomas Scott, and he replied, "I was present when he was shot." This conversation took place on the road from the Russell House. I have had no further conversation with him. I knew long before I left Fort Garry that there was a rising of the people. I knew Scott was among the people rising, but I do not know if he was concerned in the rising. I was arrested by an order from Riel. There was a guard at the court-house and jail. I was about a week in jail. I see Alfred Scott present in Court. I could not say I saw Alfred Scott among the armed men. The prisoner (Scott) was never arrested by Riel. I do not know whether Scott was in the employ of Riel or not.

I have seen Father Richot at different times in the Settlement. I saw him at a mass meeting of the French and English people. I have never seen Father Richot taking any part in the rebellion. He (Father Richot) said something at the mass meeting, but I couldn't say what it was.

Frederick Davis, detective, sworn:—I know Alfred Scott, the prisoner; I have heard him converse on the subject of the murder. I heard him say that he saw them bringing out Scott, and he followed them. I think it was to Mr. Hubertus and Mr. Ryan he made this remark. I think he said it was at Fort Garry the occurrence took place. Scott said he saw the deceased fall. He said that six persons fired at deceased, and the men shooting were not far away. He also said after Scott fell a man shot him in the head with a revolver. I heard him say nothing further. I heard prisoner say the occurrence took place on the 4th March. I heard him also say that he didn't believe deceased was alive in his coffin after he was shot.

Mr. Cameron wanted the part about prisoner's following the parties leading Scott out explained.

Detective Davis:—Prisoner Scott said that he could not resist the temptation to see, and followed the crowd some distance. Some five or six balls took effect.

Charles Garret sworn:—I have resided eleven years in Fort Garry. I left there on 22nd March last. I was there on the 4th March last. There was a disturbance against the authority of the Queen going on at the time. None of the parties were Lapierre and others. I know the prisoner Alfred H. Scott. I have seen him in Fort Garry. I was a prisoner myself. I saw Thomas Scott last on the 7th December. I was taken prisoner on the same day with him. I was released on the 7th February last. I was looking out of my window towards Fort Garry on the 4th March, and I saw a person led out of the north gate of the Fort. He was kept there for some time. I then saw the smoke from some guns, and saw the body fall. I saw this from my own window. I heard no report from the guns, being too far away. I could not tell whether it was a man or woman that was led out of the Fort, or fell. I was seven or eight hundred yards away at the time. I saw nothing more afterwards. I was in Winnipeg all the time afterwards. I was released on Saturday, and the rest of the prisoners on Tuesday following. I did not see Thomas Scott among the released prisoners. I did not see Scott at this time about Fort Garry. I saw Father Richot. On the 23rd of March, the time I left, the insurgents were in possession of the Fort. The prisoner, Alfred Scott, last March, I think, was in Mr. McKenna's employ. Mr. McKenna kept a store. Mr. McKenna told me he had resigned from being sheriff. He resigned, I think, about November last. On the 7th December last I saw Father Richot very active directing the actions of the insurgents at the arrest of prisoners at Dr. Schultz's house. I was pretty far off at the time, but I recognized him. Dr. Schultz, Dr. Lynch, Dr. Darling, and Mr. Hamilton, were among the arrested. About forty or fifty were arrested. I was arrested an hour afterwards. Father Richot was about forty or fifty yards from Dr. Schultz's house. I have not seen Father Richot taking an active part since. I never saw Alfred Scott, the prisoner, taking an active part at any time. I have seen him speaking to Riel. Father Richot lives about five miles from Fort Garry, from Pembina, forty-five miles. Stinking River is about five or six miles from Fort Garry. There is no fort there, but a house. I got a pass from the Adjutant-General Lepine. The armed people were in possession of the fort when I left.

Mr. Cameron:—Father Richot was about fifty yards from me on the 7th December. I was in my own house looking out of the window; I could not hear a word of what was going on. I saw him taking an active part, but could not say whether inciting or soothing.

To a question from Mr. Boulton, the witness said Father Richot appeared to be inciting the people on.

Witness resumed: I have had conversation with Scott, but nothing was said about the shooting.

Arthur Hamilton, sworn—I reside in Ottawa, but have been in Fort Garry. My occupation is that of a land surveyor. I recollect the 7th December last. I was arrested on that day by a party of insurgents apparently under the leadership of Riel. I was arrested about 4 o'clock p.m. I saw the parties arresting me. I did not see Father Richot among them. I do not know Father Richot. I saw Riel there. I did not see Alfred H. Scott among them. The crowd numbered about 300. Riel was the only man in the crowd I recognized. I was liberated on the 6th of January.

Major Charles Boulton, sworn:—I was at Red River last winter. There was an insurrection against the Queen. Among the insurrectionists were Riel and some other leading spirits. I was arrested about the 18th February. I had been living at Portage du Prairie, about sixty miles distant; was about a month in custody. I was in custody about the 4th March. I knew Thomas Scott; he was a prisoner on that day. I saw Scott on the day of the shooting. I saw him in the hall of the prison, used as a guard-room. It was about midday when I saw him. He was confined in the next room. He was kept in custody by the insurgent party. In the hall, after Scott had been brought out, Scott

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came to my door, and said "Good-bye" to me and to others whose doors were open. He was taken out and shot. This was publicly talked about there. After Scott was taken out I heard a volley fired about ten or twelve minutes afterwards. I could see nothing of what was going on. I never saw Thomas Scott again. About ten days afterwards I was released. I remained in the Fort two days after I was arrested. Scott's hands were tied behind his back as he was led out. There was a white thing hanging from the back of his head. I saw Father Richot for the first time at the Bishop Tache's palace after my release. I saw Alfred H. Scott for the first time during my custody. He came into my room to pay me a visit. From the time I was arrested until I was released Fort Garry was in possession of Riel and his party. I made no inquiry about Scott after my release, for I was quite satisfied that he was shot. The prisoner Scott never spoke to me about the prisoner shot. The answer to all my inquiries about Scott was always answered by the statement that he was shot dead. I was told by Riel to prepare for death. I was told in the morning, about ten o'clock, that I was to be shot at twelve. I was told next day at 4:40 P.M. that I was not to be shot. There was no form of trial in my case.

Mr. Boulton asked a remand in order to procure the testimony of Mr. D. A. Smith, and of two other parties named McArthur and Young. He also wanted to get Dr. Schultz and Mr. Mair. These gentlemen were out of the city at present.

Mr. Cameron said, if Mr. Boulton could prove that there was something in their testimony to prove directly the complicity of the prisoners he would make no objection to the remand.

Mr. Boulton said he could get a party to make affidavit that Young could give information to prove that Father Richot and Alfred H. Scott were concerned in the shooting of Scott.

Mr. Cameron: Then produce that party, and I will subject him to a cross-examination.

Hugh Scott, brother of the deceased, then stepped into the dock, and made affidavit that George Young, lately from Red River, gave him, when in Toronto, such information as would lead to the implication of Father Richot and Alfred H. Scott in the shooting of his brother, Thomas Scott; and further, that he had received a letter from the Rev. Mr. Young, of Red River, that led him to believe that the Rev. gentleman could give testimony that would prove that Richot and Scott were actively concerned in the insurrection, and in the murder of Thomas Scott.

The court then remanded the prisoners till Saturday at three o'clock, awaiting the arrival meanwhile of further witnesses.

Application was then made by Mr. Cameron for bail, which was accepted for Father Richot, himself in 500*l.*, and Ald. Martineau and Dr. Beaubien in 250*l.* each. For Alfred Scott, himself in 500*l.*, and Andrew Riopelle and Horace Lapierre, in 250*l.* each.

From the Toronto 'Globe' of April 15th, 1870.

Ottawa, April 14.

The warrant from the Police Magistrate of Toronto for the arrest of Mr. Scott and Father Richot was received yesterday by Detective O'Neill, and backed by the signature of the Police Magistrate here.

Scott was arrested about midnight last night. Father Richot could not be found at the Roman Catholic Bishop's Palace, but gave himself up to-day.

Before Judge GALT in chambers, at one this afternoon, A. H. Scott and Father Richot were heard by Counsel on return to a writ of *Habeas Corpus*.

Mr. MARTIN O'GARA, J.P., Ottawa, was in Court.

Detective O'NEILL had charge of the prisoner Scott. The information on which the warrant issued, was that the prisoners were accessories to the murder of one Thomas Scott in the country called Red River.

Mr. J. H. CAMERON appeared for the prisoners, and Mr. LEES, County Attorney, for the Crown.

After some waiting for the appearance of the two prisoners, they were at length brought in.

Scott, who has been already fully described in the 'Globe,' was smiling, and looked perfectly unconcerned.

Father Richot, accompanied by Father O'Connor, the Bishop's Secretary, was present. Father Richot looked very serious.

Mr. Cameron read the papers in the case, which were—1st. An information laid by Hugh Scott, of Toronto, stating that the said Scott and Richot had been accessories to the murder of Thomas Scott in Red River. 2nd. A warrant issued by Mr. McNab, J.P., Toronto, directing the peace officers of Toronto to arrest said Scott and Richot, which warrant bears an indorsement to the peace officers of Ottawa. 3rd. A writ of *Habeas Corpus*, setting forth that the party, Scott, was in custody, and directing the custodian to bring up the body before his Lordship.

Father Richot having surrendered, it was understood that Mr. Cameron appeared for him also.

The following is a copy of the warrant and information:—

"City of Toronto, to wit: To the Chief Constable and all other Constables of the City of Toronto, and to all or any of the Constables or Peace Officers within the County of the City of Toronto—
 "Forasmuch as Father Richot and Alfred H. Scott, at present residing at Ottawa, in the County of Carleton, have this day been charged before me Alexander McNab, Police Magistrate of the said city on oath of Hugh Scott, for that they the said Father Richot and Alfred H. Scott, being British subjects, on the 4th day of March in the year of our Lord 1870, at Red River,

"in that part of Her Majesty's British American possessions known as the North-West Territory, actually aided and abetted in the murder of Thomas Scott, a British subject, or were accessories thereto. These are, therefore, to command you in Her Majesty's name forthwith to apprehend and bring before me or the sitting Alderman at the City Police Office the bodies of the said Father Richot and Alfred H. Scott, to answer the said charges and to be dealt with according to law. Herein fail not.

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(Signed) "ALEX. McNAB,
"Police Magistrate."

"Canada, Province of Ontario, City of Toronto. To wit:—"

"The information of Hugh Scott of the City of Toronto, Accountant, taken on oath before me, Alexander McNab, Esq., Police Magistrate, of the said city, the 12th day of April, in the year of our Lord 1870. The said informant upon oath saith:—1st. That on or about the 4th day of March, in the year of our Lord 1870, at a place commonly called Red River, in that part of Her Majesty's possessions, known as the North-West Territory, one Thomas Scott, a British subject, formerly a resident of the city of Toronto, was feloniously killed and murdered. 2nd. That he had reason to believe that one Richot, commonly called Father Richot, and one Alfred H. Scott, actually aided and abetted in such murder, or were accessories thereto. 3rd. That he is informed and believes that the persons named in last paragraph are British subjects. 4th. That he has reason to believe, and does believe, that the said persons lastly referred to are now temporarily residing at the city of Ottawa, in the Province of Ontario.

"Sworn before me, at the city of Toronto, this 12th day of April, 1870.

(Signed) "ALEX. McNABB,
"Police Magistrate.
"HUGH SCOTT."

Mr. CAMERON stated the facts:—Scott had been arrested last night; he now demanded his discharge, on the ground of the illegality of his arrest. He supposed the person of the prisoner had been attached under the authority of the 43 section of George III., cap. 138, and cap. 66 of 1 and 2 of George IV., in which power was given in the one to try Indians or persons from British North America, in which there was no other jurisdiction, in Upper and Lower Canada; and the second of which transferred the power in certain cases to Upper Canada. The latter Act—an Act passed last year by the Dominion Parliament regulated the proceedings to be taken in such cases as should hereafter occur of the foregoing nature. The warrant issued by the Toronto Police Magistrate must have been issued under the authority of the Dominion Act, and it would be seen that the latter had no jurisdiction, inasmuch as the parties for whose arrest the warrant was issued were described in the document itself to be at present residing in Ottawa. To apprehend those persons it would be necessary, he submitted, to make an information on oath, in Ottawa and that an Ottawa Magistrate should issue the warrant. The simple endorsal of a Toronto warrant to Ottawa peace officers would scarcely be sufficient. The fact that both the Toronto Magistrate and the person who had laid the information, knew perfectly well that the men were living in Ottawa, and were not hiding or fleeing their place of abode, was proved by the words of the information, itself. The most material point, however, was the last, that this was not shown to be a murder at all. In stating a murder, it would be necessary to say so and so was murdered by so and so. It was stated somebody was murdered; Scott and Richot aided and abetted the murderer, but there was no murderer. The parties could not be accessories to a murder if there was no murderer to be accessory to.

Judge GALT said he understood the warrant was delivered by post, and no affidavit made. Was that the fact, and was it regular?

Mr. CAMERON thought it was a matter of procedure that was not of much consequence just now. The matter would likely have to be considered at another time.

Mr. LEES, the County Attorney, in replying to Mr. Cameron, was not sure that the objections were good. He had only just received information of the case, and was scarcely prepared with an opinion. He apprehended, however, that the most important point was, that if the warrant was illegal at all, it might be because it was based on information laid in Toronto covering people living in Ottawa. As far as the endorsement of the warrant from the peace officers of Toronto to the peace officers of Ottawa was concerned, he had little doubt that that was a perfectly legitimate transaction.

After some conversation it was agreed to adjourn till one o'clock next day, in order to enable his Lordship to go on meanwhile with the business of the Assizes.

From the Toronto 'Globe' of April 16th, 1870.

OTTAWA, April 15.

Judge GALT gave his decision in Chambers this morning on the question of the legality of the arrest of Father Richot and Alfred H. Scott, the two Red River Delegates, on a Toronto warrant.

Considerable interest was taken in the case, the Court being crowded.

His LORDSHIP said.—In this case I order the prisoners to be discharged, the Police Magistrate of Toronto having no jurisdiction in cases of this kind to issue a warrant where an offence has been committed beyond the jurisdiction of our Courts. The warrant ought to be issued by a Magistrate within

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whose jurisdiction the accused are now residing. On the face of this warrant it appears that the accused are residing in the city of Ottawa, consequently the Police Magistrate of the city of Toronto had no jurisdiction to issue warrants, and therefore they are discharged.

The prisoners were accordingly discharged, but were immediately re-arrested by Detective O'Neill on another warrant, issued by Mr. O'Gara, Police Magistrate of Ottawa, on the information of Mr. Hugh Scott, the brother of the murdered man. The warrant was as follows, with the customary technicalities:—"Whereas, information has this day been laid before the undersigned, one of Her Majesty's Justices of the Peace, in and for the city of Ottawa, in the county of Carleton, for that there is reason to suspect some person or persons, to informant unknown, on the 4th day of March last past, in land out of Canada, to wit, at Fort Garry, in that part of British North America known as the North-West or Red River Territory, did feloniously, wilfully, and with malice aforethought, kill and murder one Thomas Scott, and that one Richot, known as Father Richot, and Alfred H. Scott, both of Fort Garry, aforesaid, but both now being in the city of Ottawa, in the county of Carleton, aforesaid, and both being British subjects, did advise, aid, and abet the said person or persons unknown, in the said murder and felony, contrary to the statute in such case made and provided upon these is this general warrant issued for their arrest."

The two prisoners were again removed to the Police Station.

From the "Toronto Globe," 16th April, 1870.

We observe with regret that the French Canadian Press is endeavouring to make the North-West question one of hostility between Ontario and Quebec. We may except "La Minerve," and "Le Pays," which are singular in the moderation of their tone. The remainder have determined that the question at issue is whether or no French Canadians shall be obliterated from the North-West Territory. We need not allude to any particular journals, for we publish elsewhere remarks from a number, and all are alike. Against that assumption we protest. It is not founded on truth. To say that Ontario would force the Government into war for the purpose of removing French Canadians from the Territory is not justified by anything contained in the press of this Province, nor in the speeches of her public men; and the assertion that Ontario desires to visit the younger Colony with "fire and bloodshed" because of one man's fault, is at variance with all that the leading newspapers of Upper Canada have uttered on the subject. These authorities have always held—and now find themselves supported by the best abused man of the Quebec press, Dr. Schultz—that the following of Riel comprises only a portion of the French half-breeds. They have always said that the loyal English and Scotch, who are opposed to the acts of Riel, possessed the sympathy of a portion of the French, and from first to last the Reform press, at least has advocated the immediate extension of perfect freedom and constitutional government to the settlers of Red River. Not until Canadians were unlawfully held in prison did any one talk of coercing Riel and his followers, and not until the murder of Scott did the idea of vengeance enter into the minds of the people of Ontario. The cry against Riel was doubtless intensified by the circumstances attending his crimes. Viewed even as a political execution, it was unnecessary, but it was known to be the result of a vindictive hatred against Scott; and Riel's refusal to listen to the intercession of the clergy and other settlers, and his haste to complete his revenge before the arrival of Bishop Taché, to whom he would have been compelled to submit, demonstrated the nature of the deed. No man really fails to see that Riel used his temporary and illegal power to gratify a personal spite by the murder of his enemy.

We do not attach much importance to the recent effusion of M. Lemay, the poet of "Le Canadien." All poets draw more or less upon their imaginations, and Lemay's production, which is in singular bad taste, gives a colour to the adage, that all poets are more or less crazy. Lemay merely took his view of the matter, while we have had another epic on the same subject, and one more sensible and clever, from the advertising poet of the Mammoth. We are more concerned to find the prose writers of Lower Canada endeavouring to stir up ill-feeling between the two sub-divisions of the Dominion. There is not the least occasion for drawing any dividing lines between English and French Canadians. Riel has taken the life of a Canadian, and we intend to put the laws of Great Britain in force against him. We should do so if he were an Englishman or a Scotchman, perhaps with greater anger than we now feel. We look upon the immediate followers of Riel as mistaken men, misled through their ignorance; but we have no very irate feelings against any, except the immediate accomplices of Riel in the murder of Scott. The people of Ontario desire and are determined that Canada shall possess the North-West. They do not want it for themselves alone, but for all Canada. They look upon a large emigration from Lower Canada as certain, and as desirable. Mixed communities always thrive better than those which are homogeneous, and there is no wish to do a particle of injustice to French Canadians, half-breeds now in the Territory, nor to put obstacles in the way of French Canadians entering it.

Matters have arrived at that pass which makes it necessary to occupy Fort Garry with British Troops; but we sincerely trust that this may be done without a shot being fired. Ontario desires to see Red River with the same popular institutions as she herself possesses. She would have compelled this before Riel was heard of, had not Reform representatives at Ottawa been opposed by those who had the support of Lower Canada; and she purposes to fight very hard to prevent anything like favouritism or class legislation for any section of the inhabitants, be they English or French, Catholics or Orangemen. The idea of anything like unfair treatment to the French half-breeds is a phantom of Quebec's own imagination. Ontario desires nothing better than to see a peaceful occupation of Fort Garry by the troops, the formal trial of Riel and Lepine, the re-assertion of the Queen's authority, and

the immediate rush into the Territory of as many Canadians, French and English, as may be disposed to try their fortunes there. For Riel we have, of course, no sympathy; and we charge the Lower Canadian press with creating discord, retarding peace, and distorting the true view of the question by attempting to shield him and draw indignation upon his accusers. They should lend their voice to the cause of law and order, to the support of the Queen, and the defence of a flag which has given them a civil and a religious freedom possessed by no other French-speaking people in the world, to the overthrow of tyranny and the restoration of security, and to mollifying the differences which arise from the continuity of two religions and two languages. They may aid in the re-establishment of peace, and it will be greatly to be regretted if they continue in a course calculated to widen an opening breach, and turn those against one another who should and might work side by side in the cause of liberty and order.

CANADA.

From the same, 20th April.

'La Minerve' of the 18th has some very sensible remarks on the prosecution of Messrs Richot and Scott. It urges that they have come at the reiterated invitation of our Government, and after our authorized agents in the North-West had again and again urged their departure for Canada. The Telegram of Howe to Bishop Taché made former invitations still stronger, so that substantially, these men came under a flag of truce, and for the time being—whatever they are personally—are under the protection of the State; and all charges against them for crimes formerly committed are to be held in abeyance till their characters as Deputies are at an end, and they have returned to the place from which, at the solicitation of the Canadian Government, they came. There can be no doubt that 'La Minerve' is right in this line of argument. So much has it been understood in official circles that these men were deputies invited by our Government and its representatives, that poor de Salaberry has been concerned about nothing so much as that he might not get sufficient credit for having been the great agent in inducing their appointment and their despatch to Canada. On his return journey he tried to impress the importance of his services in that regard upon several of his fellow-travellers, and asked that they should do all they could to secure him credit for what he regarded as a stroke of the highest statesmanship. It was wrong for our rulers to do anything of the kind; but it would not look well now, that it has been done, to refuse to give these delegates the protection which they were led to expect. Let them not be received officially—for what that would imply, every one now understands—but let them go without molestation till they can be called to account for their personal proceedings in circumstances more favourable for their fair and full trial.

'La Minerve' thinks that the Ministry have not taken the proper course of protecting these men from arrest, on the plea of their representative-ambassadorial character, because the law on the subject is so plain, that there is no possibility of having them brought to trial or even detained in custody for more than a day or two. There are, it says, three imperial Statutes giving Canadian Courts of law a certain amount of jurisdiction over crimes committed in the North-West. The first of these is the 43rd of George III., chap. 138, which gives Courts of Upper and Lower Canada power to try criminal cases which have originated in the North-West. There is, however, a very important proviso in the 3rd section of that chapter, which gives primary jurisdiction in such cases to the Courts of Lower Canada. A case of the kind, in short, cannot be tried in Upper Canada, unless Lower Canadian authority determines that it is proper that it should be.

This law was amended by the 1st and 2nd of George IV. chapter 66, but it is contended that it did not abolish the original law, but only put Courts of Upper and Lower Canada on the same level, as far as the trial of *civil* cases in those territories were concerned; so that the special authority of Lower Canadian Courts in criminal cases, it is urged, continues as before. The first law says nothing of civil cases, the second nothing of criminal.

The 3rd Statute, which is that of the 22nd and 23rd Victoria, chap. 26, is that under which it is urged the present prosecution is made; but it is argued by 'La Minerve' that in order that there should be even a show of plausibility for this, it would have been necessary for the warrant of the Canadian Magistrate to have been sent out by the hand of a proper officer, and the murderers, supposed or real, to have been there asserted, and thence brought to Canada for trial. This, at any rate. But a saving clause puts this enactment out of Court, for that provides that the enactment in question shall not apply to the territories of the Company of Adventurers trading to Hudson Bay.

The case, accordingly, of an individual arrested actually *in* Canada under a charge of crime alleged to have been committed in the North-West comes still under the old law of George the Third, and must pass through the hands of the Attorney-General of Lower Canada *in the first place*.

The lawyers will determine whether the view of the law taken by 'La Minerve' is the correct one; but whether or not, with all our horror of the murder of Scott, and with very pronounced opinions as to the complicity of Richot and Scott in the transactions which culminated in that murder, as well as in the proceeding itself, we are strongly of opinion that the Government's pledge should so far be respected, and that these men should be free from personal molestation so long as they are in this country in a capacity to which our rulers have virtually given their sanction.

CANADA.
No. 33.

No. 33.

COPY of a TELEGRAM from Governor the Rt. Hon. SIR JOHN YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

25th April, 1870.

Delegates discharged by order of Magistrates. Proceedings against them at an end.

No. 34.

No. 34.

COPY of a DESPATCH from Governor the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G.

(No. 85.)

Government House, Ottawa, Canada,
April 25th, 1870.

(Received May 11th, 1870.)

(Answered No. 118, May 18th, 1870, page 178.)

MY LORD,

20th April,
1870.

22nd April,
1870.

I have the honour to forward herewith a copy of a communication which I received from Father Richot, together with a copy of my reply. At the same time, I am happy to be able to enclose an extract from the newspaper, from which you will perceive that the proceedings against the two delegates, Father Richot and Mr. Scott are at an end as the case was dismissed by the magistrate.

I also forward a copy of a Proclamation issued by Riel, and an extract from a newspaper which states that he had "arrested and imprisoned the United States Vice-Consul for refusing to take the oath of allegiance." This extract must be taken for what it is worth. I have received no particulars on the subject.

20th March,
1870.

17th March,
1870.

The copy of the letter from Father Thibault (one of the envoys sent from Canada) enclosing his and Colonel De Salaberry's report, is the last news the Government have received from that quarter.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

Enclosures in No. 34.

GRAND VICAR THIBAUT to Mr. HOWE.

(Translation.)

SIR,

St. Boniface, March 17th, 1870.

In compliance with instructions furnished to us by the Canadian Government, Colonel De Salaberry and myself left Ottawa on the 8th December last for Red River. About midway between Georgetown and Pembina we met the Hon. Wm. McDougall, who had left the latter place some days previously, and who was on his way to Canada. We immediately handed him the papers which we were directed to give him, and we informed him in a few words of the object of our mission which did not prevent him from continuing his journey.

The circumstance of his departure changed almost entirely the nature of our mission which was to endeavour to procure his admission into the country by pacifying the people.

We nevertheless continued our journey, and arrived at Pembina on the 24th December. We there found the people full of distrust against all those who came from Canada; in fact even against us notwithstanding that they had been for a long time aware of our entire devotion to the interests of the country. It is probable that orders had already been given to arrest us on the frontier, for we had trouble in finding a guide to conduct us to St. Boniface. In view of these manifestations of feeling, and, in accordance with sound advice from Messrs. Cameron and Provencher, we decided that it would be more prudent were Colonel De Salaberry to remain there with all the papers with which the Government had entrusted us, and I to enter alone into the Territory. Accordingly at ten o'clock at night I started on my journey with an employé of the Provisional Government, who accompanied me as far as St. Norbert where I met Riel and some of his employés. As I was much fatigued, having travelled the whole of one night and one day in a very uncomfortable vehicle, I obtained permission, but not without difficulty, to sleep at the house of the Curé of St. Norbert, and to present myself the next day. I at once informed the President that I had been sent by the

Canadian Government with Colonel De Salaberry, and that I wished to know at once whether that honourable gentleman would be permitted to enter Red River. After some moments reflection, in view of the assurance that I gave him that one might count upon his loyalty, I was told that he would be sent for, and that he might enter as soon as possible; and according, on the 6th of January, I had the pleasure of welcoming my amiable companion. We immediately communicated our instructions to the President and his Council, and they were taken into consideration.

Some days afterwards, we were invited to appear before the Council, and the President then said that he was sorry to see that our papers gave us no authority to treat with them, but that they would at the same time be very glad to hear us, trusting that we had only good news to tell them.

"Since you have kindly done us the honour of hearing us," said we to them, "we will commence by telling you that we are in truth the bearers of good news, and we are enabled to assure you that the instructions of the Government who have sent us to you are altogether those of peace and goodwill. It desires to respect your persons and your rights, to labour for the improvement of your country by making a road in order to communicate more easily with Canada, &c.

"It acknowledges that it has been deceived in the choice of those employés whose foolish conduct may possibly have compromised it in the Territory; but it strongly condemns the arbitrary acts of these particular employés who have so shamefully abused its confidence."

At the close of the conference, which lasted some hours, during which we were listened to with much attention and respect, we ventured to take upon ourselves to propose a delegation as being the surest means of arriving most speedily at a conclusion satisfactory to both parties. Then the President, after thanking us very courteously, without indeed giving us any official assurance, gave us reason to hope that he might arrive at a satisfactory settlement, telling us that he would look into the matter with his Council, which seemed sufficient for us at the moment, and that he would give us an answer later. What contributed not a little to inspire us with hope was the few words which the President whispered to Colonel De Salaberry as he was leaving the Hall. "Colonel," said he, "don't be in a hurry to leave, it is probable I may entrust you with a commission which cannot but be agreeable to you."

Such was the position of affairs when an unlooked for occurrence not only threw back matters, but caused us, for some time, to lose all hope. I shall not undertake to give you in this letter the details of this incident which so nearly kindled a flame throughout the settlement and perilled for ever the hope of friendly relations between Canada and the Red River. Colonel De Salaberry, who, as well as myself, has seen and heard everything which has been said or done in the Territory since this unhappy occurrence (which so nearly rendered our Commission fruitless) will be able to explain to you the reasons for our delay, and how we have had to reason with the leaders and with the people, always, however, by conversations with single individuals, as that seems to me the best and, probably, the only way of effecting any good result. Fortunately, also, almost all persons of any influence sided with us, and if we have been able to arrive at a satisfactory result it is to the generous efforts and kind assistance of these persons that we owe it.

I think I may say that now the greatest obstacle in the way of a settlement has been removed, and that the people are content to join with Canada, because they believe Canada sincere when she says that she desires their welfare.

Colonel De Salaberry's presence here, and the loyal conduct of that amiable gentleman, has not a little contributed to revive our ancient sympathies for the land of our fathers. I constantly heard it said, "Oh! if Canada had sent in from the first men like this gentleman, we should be satisfied and should feel that they really loved us, and desired our good."—"Yes," I said, "you are right, my good friends, but the Government know all that, and I am satisfied that it is disposed to do anything in its power to content you and make you happy."

It was on the 8th of February that we had the satisfaction of learning that they had decided to treat with Canada, and that they had addressed to us the accompanying letter informing us that they had accepted our invitation to send delegates authorised to come to a satisfactory settlement.

The Colonel was on the point of leaving with the delegates when we received the gratifying intelligence that the Bishop of St. Boniface would shortly arrive. As we were aware that His Lordship had been commissioned by the Government of Canada, it was decided to await his arrival, and that the delegates, if necessary at all, should not leave until after his return. The Bishop's return has already done much good in the Territory, and peace and tranquillity are being generally re-established. As however the Bishop had not sufficient authority to arrange matters, the delegates are to leave this on the 21st, and the worthy Colonel will place this letter in your hands with the assurance of the profound respect of

Your very humble servant,
(Signed) J. B. THIBAUT.

The Hon. Joseph Howe, Secretary of State
for the Provinces.

REPRESENTATIVES OF THE PEOPLE OF THE NORTH-WEST TERRITORIES.

GENTLEMEN,

St. Boniface, 10th January, 1870.

Having to communicate with the Canadian Government, in whose name, and by whose authority we have come here to treat with the people on the subject of the troubles created in the country by certain persons who are said to have been sent by the Canadian Government, and also to ascertain the conditions demanded by the inhabitants of the North-west Territories in consenting to become part of the Canadian Confederation, we ask of you, the representatives of the people in this territory, to be kind enough to give us in writing, and formally, all these conditions and

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privileges in order that we may submit them for the examination of the Government by which we have been sent.

Yours, &c.,
(Signed) J. B. THIBAUT,

GENTLEMEN,

Fort Garry, January 11th, 1870.

The President and the representatives of the people of Rupert's Land have given their consideration to the papers which you have communicated to them on the subject of your visit to this country. The President and the representatives of the people do not find in these papers any of the requisite powers to treat, as you say, with the people; and perhaps it would be preferable, in order that you may be properly understood, that you should present yourselves before the Councillors of the people. Should you decide upon doing so, you must name the day and the hour upon which you would wish to be heard.

By order of the President,
(Signed) L. SCHMIDT,
Secretary.

Fort Garry, Court House, February 8th, 1870.

Moved by Mr. Jas. Ross, seconded by Mr. Riel, and resolved unanimously, that as the Canadian Commissioners have invited a delegation from this country to Canada to confer with the Canadian Government, as to the affairs of this country, and as a cordial reception has been promised to said delegates, be it therefore resolved that the invitation be accepted, and that the same be signified to the Commissioners.

By order,
(Signed) WM. COLDWELL,
L. SCHMIDT,
Secretaries to the Convention.

From the Ottawa 'Citizen,' April 25th, 1870.

THE DELEGATES' TRIAL.

According to adjournment the Police Magistrate, Martin O'Gara, Esq., sat on Saturday afternoon at the Police Court, to resume the investigation into the charge alleged against the Rev. Father, Richot and Alfred Scott, accused of being accessories to the murder of the late Thomas Scott, at Fort Garry.

A large crowd assembled about the Court House, and the interest in the proceedings was considerably increased by the fact that it was Mr. Young and Mr. Smith, stated by the prosecution to be the most important witnesses in the matter, were in the city.

Shortly after three o'clock his worship took his seat, and immediately afterwards the prisoners came in.

Among others present in court were J. M. Currier, Esq., M.P., Robert Lyon, Esq., M.P., R. Stephenson Esq., M.P., Hon John Ross, M.P., Hon. Mr. Cauchon, M.P., Hon. Mr. Irvine, M.P., Mr. McKeagney, M.P., Hon. Colonel Rankin, M.P., Mr. McDonald, M.P., Hon. T. Anglin, M.P., Mr. Robitaille, M.P., Father O'Connor, Father Collins, Mr. Provencher, Alderman Goulden, Alderman Lapierre, and His Worship the Mayor.

The County Attorney, Robert Lees, Esq., appeared for the Crown, and Mr. Boulton for the private prosecution. Mr. John Hillyard Cameron, Q.C., appeared as counsel for the prisoners, and Mr. D. O'Connor as solicitor for them.

Mr. Lees, after the opening of the Court, informed his Lordship that he had had a conversation with the witnesses intended to have been called, and with the private prosecutor. He was satisfied that the evidence he could produce would not justify a committal, as neither the Crown nor the private prosecutor could produce any further evidence on the charge, he begged to withdraw it.

Mr. Cameron said that of course the prisoners would be fully discharged, and he wished it understood that they were so on account of the Crown not being able to procure evidence to support the charge made. After such a serious crime had been imputed to the prisoners the course now taken was not the most satisfactory, especially after the strong affidavit which the private prosecutor had made on Thursday last.

The case was dismissed, and the prisoners were discharged.

From the Ottawa 'Citizen,' April 25th, 1870.

ARRIVAL OF Mr. HILL.

His interview with Bishop Taché and Governor McTavish.

A special to the 'Toronto Telegraph,' from St. Paul, Minn., says—

James J. Hill, who arrived from Fort Garry, yesterday, had an interview with Riel, Bishop Taché, Governor McTavish and others. They and the company believe that if strange Indians

come into the country with the Canadian Force, that all the Indians of the North-West will unite in a fierce resistance; and the friends of Canada are especially apprehensive of the direful effects of such a policy.

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Mr. Hill thinks the Scotch and English settlers insincere in their acquiescence to the Provisional Government, and that they would rise against Riel if an opportunity offered. One of them declared that he would give 50% each for the four heads of the Provisional Government. Riel had surrendered the Mackenzie River furs, fifty thousand dollars' worth, in payment of three thousand dollars ransom by Governor McTavish, and two thousand dollars more when needed. Riel had arrested and imprisoned the U. S. Vice-consul, Major Robinson, and Captain Donaldson, for a few hours, because they refused to take the oath of Allegiance. Mr. Hill brought down despatches from Major Robinson to the U. S. Government, protesting against the imprisonment of an American citizen. The 'Pioneer' ridicules the report that the Fenians are operating in Red River waters, and says that the idea of a formidable expedition of Fenians being permitted to muster at St. Paul, and proceed across the State, is preposterous. The only troops preparing to join that expedition are United States soldiers, who will go to Pembina as soon as quarters are built, for the purpose of preserving peace.

Riel has given up to the Hudson Bay Company all property confiscated, and has issued the following proclamation:—

PROCLAMATION.

To the People of the North-West—

Let the assembly of twenty-eight representatives which met on the 9th of March be dear to the people of Red River; that assembly has shown itself worthy of confidence. It has worked in union; the members devoted themselves to public interests, and yielded only to the sentiments of good will, duty, and generosity. Thanks to that noble conduct public authority is now strong; that strength will be employed to sustain and protect the people of the country. To-day the Government pardons all those whom political differences led astray only for a time. An amnesty will be generously accorded to all those who will submit to the Government; who will discountenance or inform against dangerous gatherings. From this day forth public highways are open, and the Hudson Bay Company can now resume business. Themselves contributing to the public good, they circulate their money as of old. They pledge themselves to that course. The attention of the Government is also directed very especially to the northern part of the country, in order that trade may not receive any serious check, and that peace in the Indian districts may thereby be all the more securely maintained. The disastrous war which was at one time threatened has left among us foes, and various deplorable results, but the people feel reassured; and elected by the grace of Providence and the suffrages of my fellow-countrymen to the highest position in the Government of my country, I proclaim that peace reigns in our midst this day. The Government will take every precaution to prevent this peace from being disturbed. While internally all is thus returning to order; externally also matters are looking favourable. Canada invites the Red River people to an amicable arrangement. She offers to guarantee us our rights, and to give us a place in the Confederation equal to that of any of the other Provinces. As defined by the Provincial Government, our national existence will be based upon justice, and shall be respected. Oh, happy country! to have escaped many misfortunes that were prepared for her in seizing her children on the point of war. She recommends that old friendship which used to bind us, and by the ties of the same patriotism she has renewed them again for the sake of preserving their lives, their liberty, and their happiness. Let us remain united and we shall be happy, with the strength of unity. We shall retain prosperity. Ah, my fellow-countrymen, without distinction of language, or without distinction of creed, keep my words in your hearts. If ever, in time, division should unfortunately take place amongst us, as foreigners have heretofore sought to create, that will be a signal for all the disasters which we have had the happiness to avoid. In order to prevent similar calamities the Government will treat with all the severity of the laws those who dare again to compromise the public safety. It is ready to act against the disorder of parties, as well as against that of individuals; but let us hope, however, that extreme measures will be unknown, and that the lessons of the past will guide us in the future.

(Signed) LOUIS RIEL.

COPY of a LETTER from FATHER RICHOT to His Excellency SIR JOHN YOUNG, Bart.,
Governor-General of Canada.

EXCELLENCE,

Je m'adresse directement en ce moment à vous, le représentant de la Souveraine et le gardien de l'honneur Britannique dans cette contrée. Pourrions demander de vouloir faire respecter, en ma personne, le privilège qui appartient à un parlementaire d'être exempt de toute ingérence hostile, et de toute molestation jusqu'à retour en lieu sur.

CANADA.

Je suis ici en compagnie de Mr. le Juge Black et de Mr. Scott, comme représentant le territoire du Nord-Ouest, sur la foi d'une Proclamation de votre Excellence, sur l'assurance donnée par les commissaires du gouvernement de votre Excellence, et notamment par M. Smith et M. le Colonel de Salaberry et avons été à la frontière rencontrés par un magistrat qui a offert comme il appartenait dans les circonstances présentes, le sauf conduit de son escorte.

Malgré le caractère d'inviolabilité dont nous sommes revêtus—caractère respecté de tout temps et par toutes les nations du monde, indépendamment de toutes circonstances ou complications nous nous voyons soumis à des poursuites et à des indignités que le Gouvernement de votre Excellence connaît, et qu'il deplore, je n'en ai pas de doute, mais qui ne paraissent pas devoir cesser.

Je suis accusé de participation dans une mort d'homme—la chose serait aussi vraie qu'elle est radicalement fausse que cela ne changerait pas ma position comme parlementaire, invité et accepté par le Gouvernement de votre Excellence, car je suis ici en vertu de la foi jurée à la garde de l'honneur Anglais et de l'honneur Canadien.

Pour ma propre satisfaction je déclare à votre Excellence, devant Dieu et devant les hommes, que je n'ai en aucune manière contribué à une mort d'homme. Je ne sais le fait que de l'exécution d'un nommé Scott (si toute fois elle a eu lieu), que comme le sait ou le croit savoir tout le monde à ce moment même, je serais incapable de donner le moindre témoignage de cette affaire; mais je le répète ceci ne concerne en rien mon caractère de parlementaire, qui me rend inviolable, et par lequel j'échappe à toute juridiction civile ou criminelle.

Comptant sur l'honneur public, et sur l'honorabilité de votre Excellence, et de ceux qui avec votre Excellence en sont les gardiens, j'ose demander qu'on fasse cesser la persécution et les insultes auxquelles nous sommes livrés. Cette demande j'ai retardé de la faire pour ne pas ajouter aux difficultés de la circonstance; mais je sais que la dignité de ma mission souffrirait d'un plus long retard.

Son Excellence Sir John Young, Bart.,
&c., &c., &c.

J'ai, &c.,
(Signed)

S. J. RICHOT.

COPY of a LETTER from the GOVERNOR-GENERAL'S SECRETARY to FATHER RICHOT.

MONSIEUR,

Governor-General's Office, Ottawa,
23 April, 1870.

J'ai reçu ordre de Son Excellence le G. G., d'accuser réception de votre communication réclamant la protection de Son Excellence, et j'ai l'honneur de vous informer que Son Excellence l'a transmise à son conseil pour être prise en considération aussitôt que possible.

To the Reverend Father Richot.
Bishop's Palace, Ottawa.

J'ai, &c.
(Signed) F. TURNVILLE.

No. 35.

No. 35.

COPY of a DESPATCH from Governor the Rt. Hon. SIR JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to the EARL GRANVILLE, K.G.

Government House, Ottawa,

(Confidential.)

April 28th, 1870.

MY LORD,

(Received 12th May, 1870.)

I had the honour to send to your Lordship to-day the following Telegraphic Message, in cypher:—

"Lindsay, Murdoch, and I, think it hardly safe to send less than 390 of H. M. Troops
"if the Expedition goes.

"It will be necessary to garrison two posts on the route; my Ministers agree to
"this, and still engage that three-fourths of the whole cost of the Expedition shall
"be paid by Canada. Lindsay has telegraphed to same effect to Horse Guards.
"Answer by Telegram."

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.
(Signed) JOHN YOUNG.

RED RIVER SETTLEMENT.

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No. 36.

No. 36.

COPY of a DESPATCH from Governor the Rt. Hon. SIR JOHN YOUNG, Bart, G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

Government House, Ottawa,
29th April 1870.

(No. 87.)

(Received May 11th, 1870.)
(Answered, No. 118, May 18th, 1870, p. 178.)

MY LORD,

With reference to my Despatch, No. 85,* of 25th April, I have the honour to transmit an extract from the 'Globe' Newspaper, which gives an account of the proceedings against the Rev. Mr. Richot and Mr. A. H. Scott, since my last communication, and of the unconditional release of the accused.

* Page 124.

24th April.

No other proceedings have been instituted, or are pending, against the Rev. Mr. Richot or Mr. A. H. Scott, and they, together with their colleague Judge Black, have been in conference with Ministers for several days past in their capacity of Delegates from the Convention of the people at the Red River.

I have, &c.,

The Earl Granville, K.G.
&c. &c. &c.

(Signed) JOHN YOUNG.

P. S.—I think it right to forward to your Lordship a Copy of the terms and conditions brought by the Delegates from the North-West, which have formed the subject of conference.

Enclosures in No. 36.

From the Ottawa 'Globe' of 23rd April, 1870.

Enclosures in
No. 36.

This afternoon, at 3 o'clock, the two so-called delegates, Father Richot and Scott, were again brought up on the Ottawa warrant, charging them with aiding and abetting in the murder of Thomas Scott at Fort Garry on the 4th March. Considerable interest was taken in the proceedings—the Court being inconveniently crowded. Several prominent members of the House of Commons being present.

The various gentlemen recently arrived from Red River were also in Court.

Mr. Lees appeared for the prosecution on behalf of the Crown, and Mr. Boulton on behalf of Mr. Scott, on whose information the warrant was granted. Mr. Hillyard Cameron appeared for the accused.

On the Magistrate taking his seat, Mr. Lees said that, after consultation with the counsel of the private prosecutor, and considering the evidence of the witnesses who had been examined, they had come to the conclusion that any evidence that they would be able to produce would not be of such a nature as would justify the committal of the prisoners. The private prosecutor had consented to withdraw further prosecution; and as the Crown had no further evidence to offer, the Crown had no wish to press the matter further.

Mr. Hillyard Cameron said he had nothing to say, of course, about the withdrawal, but a charge had been made against these parties of complicity in the crime of murder—from all they had heard, a murder of a very barbarous character—and they must be unconditionally discharged, because there was no ground whatever to proceed against them. What he would like to understand was, that his clients were discharged because there was no further evidence to be called. They should fully understand that the parties were discharged because the Crown could not proceed further, and that it let the matter drop because they had no evidence whatever to offer. If Mr. Lees thought there was other evidence but could not produce it, the prisoners could only be remanded for a certain time, and then they would be entitled to a discharge.

Mr. Lees said he was informed by the counsel of private prosecutor that he did not wish to call any further evidence, and the Crown had none to call either.

Mr. Cameron said that was all he wanted, and, under those circumstances, the Magistrate's duty would be to discharge the prisoners. These parties had been arrested, and it appeared that there was nothing whatever against them. He thought they had in that respect been very improperly treated.

His honour ordered the prisoners to be discharged, as there was no case against them.

The defendants were accordingly discharged, and left the Court amid the congratulations of several friends. The crowd which had assembled quietly dispersed.

CANADA.

A list of Terms and Conditions referred to in your Commission and in your letter of Instructions.

(Signed) THOS. BUNN,
Secretary of State.

To John Black, Esq.

1. That the Territories, heretofore known as Rupert's Land and North-west, shall not enter into the Confederation of the Dominion of Canada, except as a Province, to be styled and known as the Province of Assiniboia, and with all the rights and privileges common to the different Provinces of the Dominion.

2. That we have two Representatives in the Senate, and four in the House of Commons of Canada, until such time as an increase of population entitle the Province to a greater representation.

3. That the Province of Assiniboia shall not be held liable, at any time, for any portion of the public debt of the Dominion contracted before the date the said Province shall have entered the Confederation, unless the said Province shall have first received from the Dominion the full amount for which the said Province is to be held liable.

4. That the sum of eighty thousand dollars (\$80,000) be paid annually by the Dominion Government to the Local Legislature of this Province.

5. That all properties, rights, and privileges enjoyed by the people of this Province, up to the date of our entering into the Confederation, be respected, and that the arrangement and confirmation of all customs, usages, and privileges be left exclusively to the Local Legislature.

6. That during the term of five years, the Province of Assiniboia shall not be subjected to any direct taxation except such as may be imposed by the Local Legislature for municipal or local purposes.

7. That a sum of money equal to eighty cents. per head of the population of this Province be paid annually by the Canadian Government to the Local Legislature of the said Province, until such time as the said population shall have increased to six hundred thousand (600,000).

8. That the Local Legislature shall have the right to determine the qualifications of members to represent this Province in the Parliament of Canada, and the Local Legislature.

9. That, in this Province, with the exception of uncivilised and unsettled Indians, every male native citizen who has attained the age of twenty-one years, and every foreigner, being a British subject, who has attained the same age, and has resided three years in the Province, and is a householder; and every foreigner other than a British subject who has resided here during the same period, being a householder, and having taken the oath of allegiance, shall be entitled to vote at the election of members for the Local Legislature and for the Canadian Parliament. It being understood that this Article be subject to amendment exclusively by the Local Legislature.

10. That the bargain of the Hudson Bay Company with respect to the transfer of the Government of this country to the Dominion of Canada be annulled, so far as it interferes with the rights of the people of Assiniboia, and so far as it would affect our future relations with Canada.

11. That the Local Legislature of the Province of Assiniboia shall have full control over all the public lands of the Province, and the right to amend all acts or arrangements made or entered into with reference to the public lands of Rupert's Land and the North-West, now called the Province of Assiniboia.

12. That the Government of Canada appoint a Commission of Engineers to explore the various districts of the Province of Assiniboia, and to lay before the Local Legislature a report of the mineral wealth of the Province within five years from the date of our entering into Confederation.

13. That treaties be concluded between Canada and the different Indian tribes of the Province of Assiniboia, by and with the advice and co-operation of the Local Legislature of this Province.

14. That an uninterrupted steam communication from Lake Superior to Fort Garry be guaranteed to be completed within the space of five years.

15. That all public buildings, bridges, roads, and other public works be at the cost of the Dominion Treasury.

16. That the English and French languages be common in the Legislature and in the Courts, and that all public documents, as well as all acts of the Legislature, be published in both languages.

17. That whereas the French and English speaking people of Assiniboia are so equally divided as to number, yet so united in their interests and so connected by commerce, family connections, and other political and social relations, that it has happily been found impossible to bring them into hostile collision, although repeated attempts have been made by designing strangers, for reasons known to themselves, to bring about so ruinous and disastrous an event.

And whereas after all the troubles and apparent dissensions of the past, the result of misunderstanding among themselves, they have, as soon as the evil agencies referred to above were removed, become as united and friendly as ever.

Therefore as a means to strengthen this union and friendly feeling among all classes we deem it expedient and advisable—

That the Lieutenant-Governor who may be appointed for the Province of Assiniboia should be familiar with both the French and English languages.

18. That the Judge of the Supreme Court speak the English and French languages.

19. That all debts contracted by the Provisional Government of the Territory of the North-west, now called Assiniboia, in consequence of the illegal and inconsiderate measures adopted by Canadian officials to bring about a civil war in our midst, be paid out of the Dominion Treasury; and that none of the members of the Provisional Government, or any of those acting under them, be in any way held liable or responsible with regard to the movement or any of the actions which led to the present negotiations.

20. That in view of the present exceptional position of Assiniboia, duties upon goods imported into the Province shall, except in the case of spirituous liquors, continue as at present for at least three

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years from the date of our entering the Confederation, and for such further time as may elapse until there be uninterrupted railroad communication between Winipeg and Saint Paul; and also steam communication between Winipeg and Lake Superior.

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No. 37.

COPY of a TELEGRAM from Governor The Rt. Hon. SIR JOHN YOUNG, Bt., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

No. 37.

3rd May, 1870.

"Negotiations with Delegates closed satisfactorily. A province named Manitoba erected, containing eleven thousand square miles. Lieutenant-Governor appointed by Canada representative institutions Upper House seven, not exceeding twelve members nominated lower, twenty-four elected by people, two senators in Dominion Senate, four representatives in House of Commons to increase hereafter in proportion to population, pecuniary terms, population taken at fifteen thousand to be credited in lieu of debt, per head twenty-seven dollars twenty-seven cents annual subsidy, as to other provinces eighty cents per head until population increases to four hundred thousand, further provision of thirty-thousand dollars a year for expenses of Government, lands to belong to Dominion, but one million two hundred thousand acres reserved to extinguish claims of half-breeds and Indian titles; all existing titles and possessions to be quieted, in various other respects same terms as to other provinces, the rest of the territory the vast extent unsettled and unpeopled to be governed by the Lieutenant-Governor under instructions from the Canadian Government."

No. 38.

No. 38.

COPY of a TELEGRAM (in Cypher) from Governor The Rt. Hon. SIR JOHN YOUNG,
Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

4th May, 1870.

Instructions have just been given me to pay Hudson Bay Company.

No. 39.

No. 39.

COPY of a TELEGRAM from Governor The Rt. Hon. SIR JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to The EARL GRANVILLE, K.G.

Night, 4th May, 1870.

Instructions will be sent to Rose to-day by Telegram to pay over 300,000/. Imperial Government are at liberty to make the transfer of the Territory any time before the end of June. But Canada wishes it to be made not immediately, nor without giving due notice by Telegram.

No. 40.

No. 40.

COPY of a DESPATCH from Governor the Rt. Hon. SIR JOHN YOUNG, Bart.,
G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

Government House, Ottawa.

(Confidential.)

5th May, 1870.

MY LORD,

Received May 19th, 1870.

(Answered Confidential, 31st May, 1870, p. 180.)

I sent a Telegram to your Lordship's address in the following words:—

"Negotiations with delegates closed satisfactorily. A province named Manitobah
"erected, containing 11,000 square miles.

3rd May, 1870,
above.

CANADA.

"Lieutenant-Governor appointed by Canada. Representative institutions. Upper House,—seven. Not exceeding twelve members nominated. Lower, twenty-four. elected by people. Two senators in Dominion Senate. Four Representatives in House of Commons, to increase hereafter in proportion to population. Pecuniary terms,—Population taken at 15,000, to be credited in lieu of debt per head 27 dollars 27 cents. Annual subsidy as to other Provinces 80 cents per head until population increases to 400,000. Further provision of 30,000 dollars a-year for expenses of Government.

"Lands to belong to Dominion, but 1,200,000 acres reserved to extinguish claims of half-breeds and Indian titles. All existing titles and possessions to be quieted.

"In various other respects same terms as to other Provinces.

"The rest of the Territory,—the vast extent unsettled and unpeopled, to be governed by the Lieutenant-Governor, under instructions from Canadian Government.

3rd May.

"I have now the honour to forward extracts from the Ottawa 'Times,' containing a

4th May.

report of the debate which took place on the introduction of the Bill making provision for the government of the North-West country when it shall be transferred to the Dominion."

I also enclose copies of the Bill, which varies in some particulars from the announcement made in Sir J. A. McDonald's speech. For instance, the boundaries of the new province of Manitobah have been enlarged, so as to include Portage La Prairie. It was at first thought that the people of that settlement were averse to being joined to the Red River, but subsequently information of an opposite tendency was received from gentlemen acquainted with the wishes and feelings of its inhabitants, and it was determined to include it.

I annex the brief printed account of the remarks of the Prime Minister, and of Mr. Mackenzie, the leader of the opposition on this topic.

Mr. Mackenzie said the House was not in a position to proceed with the discussion of this Bill to-night, not having read it.

Hon. Sir John A. Macdonald would not press upon the House the consideration of the Bill, but hoped he might be permitted to explain wherein the Bill differed from that which was first introduced. He mentioned that the Government had been informed by Judge Black that the people of the Portage La Prairie, would prefer remaining as they are now, but since they had received other information from gentlemen who had come from Portage La Prairie, that the people of that settlement would not object to being included in Manitobah, and to get rid of a charge that that settlement had been purposely left out of the new territory, the Government had come to the determination of including it. There had been, too, a broad statement to the effect that the Portage La Prairie being left out of the new province was attributable to priestly influence, which he denied. The line would have to run through the lands of a tribe of Indians called the Shoshonees, a very friendly tribe, and to avoid anything disagreeable, they had carried the line by the 96th parallel; the population to be included by the first proposed scheme was 15,000, now it would be 17,000. He stated that the new province, not being in debt, could receive from Canada interest at the rate of 5 per cent on 472,000 dollars a-year, and that 30,000 dollars should be paid yearly by Canada to Manitobah for the support of its Government, and an annual grant equal to 80 cents per head of a population of 17,000. The Custom's duties now chargeable on Rupert's Land to be continued for ten years, as if the tariff of Canada were now applied to Manitobah, the imports being principally by Hudson Bay and Pembina, the charges on imports would be ruinous. He then alluded to the appropriation of 1,400,000 acres of ungranted lands for the benefit of the families of the half-breeds. He explained that there were few pure Indians in the Territory—their descendants were chiefly half-breeds, and were none the less, however, inheritors of the soil, and, therefore, entitled to compensation for any loss which might accrue to them on account of the erection of the new Government. It was worthy of attention, how carefully the interests of the Dominion had been looked to in the reservation made of the lands for all purposes.

Mr. Mackenzie was glad that the hon. gentleman had been compelled to include the settlements previously left out, and which strong circumstantial evidence pointed out had been done at the suggestion of certain parties. He did not care who had caused the change in the scheme, but it was a good one. There were some matters in the Bill conflicting with Confederation Act, which he would endeavour to have amended. A certain paper had been published threatening the perpetual banishment of the hon. member for North Lanark, and several other members of his party. He complained of the state of ignorance in which the House was kept, and thought the Bill contained still many objectionable clauses.

You will observe that the enlargement proposed by the Ministers meets the views and the approval of the opposition as expressed by their leader.

I annex a brief extract from the parliamentary summary

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PARLIAMENTARY SUMMARY.

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4th May, 1870.

Hon. Sir John A. Macdonald stated that the Bill for the Government of the North-West was not yet printed, several clauses of the copy from which he had read last night not being completed.

Mr. Mackenzie attacked the Government for having received Father Richot and Mr. Alfred Scott in an official capacity as delegates from the people of the North-West, while in reality they were the mere nominees of Riel and his gang, and the Hon. Sir John A. Macdonald, who was always insinuating that those opposed to him were rebels, and was in the habit of charging them with disloyalty, had left a stain upon his own loyalty.

Hon. Sir John A. Macdonald stated that those gentlemen were received as delegates in accordance with instructions from Her Majesty's Imperial Government, and that His Excellency the Governor-General, as an Imperial officer, had given him leave to state as they knew all along that he intended to receive these delegates, and consider their representations, as well as those of other parties coming from Red River; that the sole object the Government had in view was the peaceable acquisition of the country at as little expense as possible; and he had no doubt if their efforts were not defeated by the Opposition that they would frame a Bill, which would satisfy the House and the inhabitants of the North-West.

Mr. Bellrose stated that Dr. Lynch, whom he had esteemed as an honourable man, had been guilty of falsehood in charging Father Richot with being present at the execution of Thomas Scott, it having been proved before the magistrate that he had nothing to do with it.

* * * * *

The Ministers held repeated conferences with the delegates, and arranged the terms with them, which are set forth in Sir J. A. Macdonald's speech and the clauses of the Bill. I was kept constantly informed of all details, and of the progress made or the difficulties raised on any particular point, and on Tuesday last the conditions of the arrangements having been fully discussed and agreed to by the delegates on the one part, and the Ministers on the other, the delegation was introduced to me by the Premier, Sir J. A. Macdonald, and I had a lengthened and interesting conversation with them. I need not trouble you with details, but Sir Clinton Murdoch was present, and the impression left upon his mind, as upon mine, was that the delegates considered the terms accorded to them such as would satisfy the people and ensure peace.

The printed extract which follows gives an accurate summary of the terms of the agreement.

(Wednesday, May 4, 1870.)

THE PROVINCE OF MANITOBAH.

The Bill for the erection of a portion of the North-West Territory into a Province to be confederated with the Dominion of Canada received a first reading on Monday last. In extent the new Province will consist of 10,000 square miles, stretching from the 49th to the 50th parallel of latitude, or 60 miles north, including the Red River and the Assiniboine River, where they meet together; or, to be more particular, the Province is to include that region commencing at a point on the frontier of the United States Territory, 96 degrees west of Greenwich, and extends to a point 98 degrees 15 minutes west, being bounded on the north by the 49th parallel of latitude, and on the south by latitude 50 degrees 20 minutes. The name of the new Province is to be Manitobah, or, "The God who speaks." Its extent is by no means great, and the present inhabitants not over 15,000. For governing and legislative purposes there is to be a Lieutenant-Governor, under a commission from the Governor-General of Canada, with power over that portion of the North-West not at present embraced, but intended to be embraced, in the new Province of Manitobah, ruling by instructions received upon Order in Council from Canada; a Legislative Council consisting of seven members, and a House of Assembly consisting of twenty-four members, from which bodies a ministry, responsible to the people, will be selected to assist the Lieutenant-Governor in the conduct of the Government. The new Province will also form an integral part of Confederated Canada, and have two Senator representatives and four Commoners in the Dominion Parliament, the Senate representation to be increased when the population shall reach 75,000 to four. In addition to this transcript of the British Constitution, or rather of the Canadian Constitution, to be bestowed upon the little Province of Manitobah, the English and French languages are to be considered legal languages, and all the possessions of the present resident populations secured to them in free and common soccage, while there shall be a reservation for the purpose of extinguishing the Indian title of 1,200,000 acres out of lands which, not being the property of individuals, shall belong to the Dominion of Canada. This is the scheme as concisely and briefly as it can be put. That it will meet with favour there is scarcely any doubt. No one can question the disposition to do full justice to the present inhabitants and to provide for the requirements of future generations. There is nothing indeed wanting to make Manitobah a prosperous and happy land but order,—that sense of security which a belief in the majesty of law over prejudice and passion produces. This desire for order is strong among the law-abiding residents of Red River as it is determined upon here. There must be freedom to go to and freedom to return from that country to all honest men. There must be freedom to dwell there. All classes and sects, and degrees and conditions of men must be permitted to do as they please within the bounds of the laws made upon the spot for local government, and within those laws, which will affect

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the Province as a part of the Dominion Confederation. There will be freedom of opinion in all matters, and no supremacy in any. All men, in the eyes of the law, will be equal. The men within the gates and the stranger without will be on an equal footing, so far as law is concerned, and to secure this desirable aim 390 regular soldiers of the Queen, with a force of Canadian Militia, fully organised, equipped, and disciplined, three-fourths greater, will proceed to Winnipeg, the nucleus of the capital of Manitobah on a mission of peace.

This miniature government may seem to Mr. Mackenzie to be like something which he has seen described by the Dean of St. Patrick's in 'Gulliver's Travels'—A House of Lords consisting only of seven persons, and a Commons of two dozen smacks of littleness; but the honourable gentleman should remember that his own great Province of Ontario had even a smaller beginning under Governor Simcoe than the Province of Manitobah. In Rogers' 'Canada' we find the following account of the first Parliament of Upper Canada, on the 18th September, 1792:—

"The capital of the Province was at Newark, now Niagara. The seat of Government, according to the Duke de la Rochefoucault Liancourt, who visited it in 1795, consisted of about a hundred houses, "mostly very fine structures." Governor Simcoe apparently did not occupy one of them, but a miserable wooden house," formerly occupied by the Commissaries, who resided there on account of the navigation of the lake,—his guard consisting of four soldiers, who every morning came from the fort, to which they returned in the evening. It is difficult even to guess at the appearance of the Parliament building. Assuredly it did not require to be of great size. When the time arrived for opening the session only two, instead of seven members of the Legislative Council, were present. No Chief Justice appeared to fill the office of Speaker of the Council. Instead of sixteen members of the Legislative Assembly five only attended. What was still more embarrassing, no more could be collected. The House was, nevertheless, opened. A guard of honour, consisting of fifty soldiers from the fort, were in attendance. Dressed in silk, Governor Simcoe entered the hall, with his hat on his head, attended by his Adjutant and two Secretaries. The two members of the Council gave notice of his presence in the Upper House to the Legislative Assembly, and the five members of the latter having appeared at the Bar of the two Lords, His Excellency read his speech from the throne. He informed the honourable gentlemen of the Legislative Council, and the gentlemen of the House of Assembly that he had summoned them together under the authority of an Act of Parliament of Great Britain, which had established the British Constitution, and all that secured and maintained it to Upper Canada. That the wisdom and beneficence of the Sovereign had been eminently proved by many provisions in the memorable Act of Separation, which would extend to the remotest posterity the invaluable blessings of that Constitution. That great and momentous trusts and duties had been committed to the representatives of the Province, infinitely beyond whatever had distinguished any other British Colony. That they were called upon to exercise, with due deliberation and foresight, various offices of civil administration, with a view of laying the foundation of that union of industry and wealth, of commerce and power, which may last through all succeeding ages. That the natural advantages of the new Province were inferior to none on this side of the Atlantic. That the British Government had paved the way for its speedy colonization, and that a numerous and agricultural people would speedily take possession of the soil and climate. To this speech the replies of the Council and Assembly were but an echo. The seven gentlemen legislators proceeded actively to business."

* * * * *

I enclose copies of the reports of Donald Smith, Esq., and of the Reverend J. B. Thibault; * also a proclamation recently published by Riel, which is construed in most quarters as dictated by the feeling that power is slipping away from his grasp, and that he is desirous of concealing growing weakness by the resort to exaggeration and menace.

Proclamation.

The remarks in the paragraph introductory to the Proclamation are worthy of attention. They prove the necessity for sending a well organised force to the Settlement, in order to restore the confidence of the peaceable inhabitants and calm down by the prestige of British authority the numerous Indian tribes whose fears or expectations have been excited, and their minds unsettled by the rumours of disturbances and revolution at Fort Garry.

I have, &c.,
(Signed) JOHN YOUNG.
The Earl Granville, K.G.,
&c. &c. &c.

22nd April,
1870.

P.S.—I invite attention to Mr. Hill's Letter enclosed. It is sensibly written, and corroborates the views of the situation taken by all the calmer minded observers.

The extract from the newspaper contains the intelligence we have received by Bishop Taché's exertions in the cause of peace and order.
(Signed) J. Y.

* The Report of the Rev. J. B. Thibault will be found printed as Enclosure 1 to Governor's Despatch, No. 85, 25 April 1870, p. 124.

Enclosure 1 in No. 40.

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From the Ottawa 'Times' of 3rd May, 1870.

House of Commons, Ottawa, 2nd May, 1870.

The SPEAKER took the chair at 3 o'clock.

Hon. Mr. TILLEY, in the absence of the Hon. Sir Francis Hincks, presented the eleventh Report of the Committee on Public Accounts, containing the following Resolution adopted by the Committee: "That as it appears there are great irregularities in the return of mileage, in some cases amounting to a difference of 100 miles with the Members residing in the same place, the attention of both Houses is drawn to this fact with a view to connecting the distances, so that the actual distances travelled shall be paid, and no more."

Hon. Mr. LANGEVIN presented the returns to various addresses adopted by the House.

Hon. Sir JOHN A. MACDONALD.—I rise, sir, with the consent of the House, to submit the result of our deliberations for the framing of a Constitution for the country heretofore known as Rupert's Land and the North-West Territory. In moving for leave to introduce this Bill, of which I have given notice, I may premise by stating that there has been a discussion going on as to whether we should have a Territory or a Province. The answer we made on behalf of the Canadian Government was that such a thing as a territory was not known to the British colonial system, that the expression was not recognized, that the expression was colony or province, and that we thought it would be better to adhere to the old and well known form of expression—well known to us as Colonists of the Empire—and not bring a new description into our statute book. It was not, of course, a matter of any serious importance whether the country was called a province or a territory. We have provinces of all sizes, shapes and constitutions; there are very few colonies with precisely the same constitution in all particulars, so that there could not be anything determined by the use of the word. Then the next question discussed was the name of the province. It was thought that was a matter of taste, and should be considered with reference to euphony and with reference also as much as possible to the remembrance of the original inhabitants of that vast country. Fortunately, the Indian languages of that section of the country give us a choice of euphonious names, and it is considered proper that the Province which is to be organized shall be called Manitoba. The name Assiniboine, by which it has hitherto been called, is considered to be rather too long, involving confusion, too, between the river Assiniboine and the Province Assinibonei. I suppose, therefore, there will be no objection to the name that has been fixed upon, which is euphonious enough in itself, and is an old Indian name, meaning "The God who speaks—the speaking God." There is a fine lake there, called lake Manitoba, which forms the western boundary of the Province. A subject of very great importance, which engaged much of our consideration, was the settlement of the boundaries of the Province we are organizing. It is obvious that that vast country could not be formed into one Province. It is obvious that the Dominion Government and the Dominion Parliament must retain, for Dominion purposes, the vast section of that country, which is altogether or nearly without inhabitants, and that the Province must be confined to the more settled country that now exists. We found, happily, that there was no great difficulty in regard to this matter, that there was no discussion upon the subject, and I may read a description of the boundaries which have been settled upon:—"The region which is to form the new Province of Manitoba commences at a point on the frontier of the United States Territory, 96 degrees West of Greenwich, and extends to a point 98 degrees and 15 minutes West, being bounded on the South by 49th parallel of latitude, and on the North by latitude 50 degrees and 30 minutes."

Hon. Sir JOHN A. MACDONALD here placed a map on the table, showing the boundaries of the new Province, and the members gathered round to examine it.

Hon. Colonel GRAY.—How many square miles are there in the new Province?

Hon. Sir JOHN A. MACDONALD.—Elven thousand square miles. It is a small Province, as the House will observe, but yet it contains the principal part of the settlements which are ranged, as those who have studied the matter know, along the banks of Red River and the banks of Assiniboine from the point of their confluence at or near Fort Garry up westward towards Lake Manitoba. One of the clauses of the Bill which I propose to lay before the House, but which is not yet in such a position to go into the printer's hands preparatory to the second reading, provides that such portions of the North-West Territory, as are not included in this Province, shall be governed as an unorganized tract by the Lieutenant-Governor of Manitoba, under a separate commission under the great seal of the Dominion, and that until they are settled and organized they shall be governed by Orders in Council.

Mr. MACKENZIE.—Does the Bill provide a Constitution for that Territory?

Hon. Sir JOHN A. MACDONALD.—No. It simply provides that the Lieutenant-Governor of Manitoba shall be Governor of the remaining portion of the Territory under directions of Orders in Council, and action upon separate commission issued under the Great Seal. In settling the constitution of the Province, the question of how far representative institutions should be properly conferred at this time has been fully discussed. The House knows that this subject was discussed last Summer by the Press in all parts of Canada, and that there was a good deal of objection that the Bill of last Session, provisional as it was, and intended to last only a few months, did not provide representative institutions for the people of that Territory. That Bill provided that the Lieutenant-Governor should have an Executive Council, and that that Council should have power to make laws, subject, of course, to the veto power, the paramount power of the Governor-General here. It was passed simply for the purpose of having something like the rudiments of a Government, from the time the Territory was admitted into the Dominion, it being understood that the Act should continue in force only until the end of the present Session of Parliament. On the introduction of that Bill by the Government, it was received in that particular, and I think in every particular, with the almost unanimous sanction and

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approval of Parliament. The Government felt they were not in a position from acquaintance with the circumstances of the country and wants of its people, to settle anything like a fixed constitution upon the Territory. They thought it, therefore, better that they should merely pass a temporary Act to last for a few months, providing for the appointment of a Lieutenant-Governor, for which office my honourable friend for North Lanark was selected, who, when he arrived upon the spot, would have an opportunity of reporting upon the requirements of the country, and, after discussing the matter with the principal men of the settlement, to suggest what kind of institutions were best suited to those requirements. Unfortunately, no opportunity was offered for entering into that discussion or getting that information. One result, however, of the enquiry that was instituted in this country, was to pour a flood of light upon the Territory; and I have no doubt every honourable member of this House has taken advantage of it, so as to enable him, with a greater degree of certainty, to approach the subject of what the Constitution ought to be. Besides that, we have discussed the proposed Constitution with such persons who have been in the North-West as we have had an opportunity of meeting, and the result has been as I will shortly describe. In the first place, as regards the representation of the Province of Manitobah in the Dominion Parliament, the proposition of the Government is that the people of the Province shall be represented in the Senate by two Members until the Province shall have a population at a decennial census of 50,000. From thenceforth the people there shall have representation in the Senate of three Members; and subsequently, when the population shall amount to 75 000, they shall have representation of four Members. That will give them the same representation in the Upper House of the Dominion Legislature as has been proposed for Prince Edward's Island, and agreed to by the representatives of that Province at the Quebec Conference—Prince Edward's Island being the smallest of the Provinces, having a population of about 85,000. The Bill does not provide for any increase of numbers beyond four. It is not likely that, in our day at any rate, the Province will have a population which will entitle it to more. With respect to its representation in the House of Commons, it is proposed that it shall have four Members in this House—the Governor-General having, for that purpose, power to separate and divide the whole of the Province into four electoral districts, each containing as nearly as possible an equal number of the present community of settlers. The executive power of the Province will, of course, as in all the other Provinces of the Dominion, be vested in a Lieutenant-Governor, who shall be appointed like the other Lieutenant-Governor, by commission from the Governor-General, under the Great Seal of the Dominion. He shall have an Executive Council, which shall be composed of seven persons, holding such offices as the Lieutenant-Governor shall, from time to time, think fit, and, in the first instance, shall not exceed five in number. The meetings of the Legislature, until otherwise ordered by the Legislature itself, shall be held at Fort Garry, or within a mile of it. With respect to the Legislative body, there was considerable difficulty and long discussion whether it should consist of one chamber or two; whether, if one chamber, it should be composed of the representatives of the people and of persons appointed by the Crown, or Local Government, or whether they should be severed and the two chambers constituted—all these questions were fully discussed. After mature consideration, it was agreed that there should be two chambers. I see my honourable friend (Honourable Mr. McDougall) laughs, but, being a true Liberal, he will not object to the people having a voice in the settlement of their own Constitution, and to determine whether they shall have one or two chambers, or even three if it suits their purpose to have them. It is proposed, then, to have two chambers, but the Legislative Council is not a very formidable one. It is to be composed, in the first place, of seven Members. After the expiration of four years it may be increased to twelve, but not more than that number. The object of making that provision is this, that we could not well have a smaller Legislative body than seven; and yet it might be well that the Government of to-day—the Lieutenant-Governor having a responsible Ministry—to have the power of meeting the difficulty arising from a possible dead-lock between the two chambers—the Legislative Assembly and the Legislative Council. It is therefore proposed that after the end of the first four years—after the first Parliament of the Province—the Lieutenant-Governor may, if he thinks proper, upon the advice of his Executive Council, who have the confidence of the people and of their representatives, increase the number up to twelve. The Legislative Assembly shall be composed of a body of twenty-four members—the Lieutenant-Governor dividing the Province for that purpose into twenty-four Electoral Districts having due regard to the various communities into which the settlement is at present divided. All these clauses and stipulations are, of course, subject to alterations by the people themselves, except so far as they relate to the appointment of the Lieutenant-Governor, which, of course, rests upon the same authority as in the other Provinces of the Dominion. In all other respects they may alter their Constitutions as they please. It is provided in the Bill that all the clauses of the British North America Act, excepting as altered by the Bill itself, or excepting those clauses which apply only to one or two Provinces, and not to the whole of the Provinces, shall apply to the new Province. The Bill contains various other clauses, with which I will not now trouble the House, because they refer to matters of no great interest, except as they are requisite to carry on the machinery of the Executive and Legislative bodies. Until the Legislature otherwise provides the qualification of voters for Members, both of House of Commons and Local Legislatures, shall be the same as provided by the Confederation Act for the District of Algoma. I think the House will agree with me that no other qualification can be provided. The clause runs that every British subject who has attained the age of 21 years, and who is and has been a householder for one year, shall have a right to vote. The duration of the Legislative Assembly shall be four years, as in the other Provinces.

Mr. MACKENZIE.—What is the qualification of candidates?

Hon Sir JOHN A. MACDONALD.—We have said nothing of that in the Bill. With respect to pecuniary clauses of the Bill it is provided that as Manitobah has, fortunately, no debts, it shall be entitled to be paid by and receive from Canada, by half-yearly payments, a sum which is to be ascertained in the same way as the sum settled was on Newfoundland last session—that is, fixing the whole of the population at 15,000, and at that rate comparing the difference between that population and

the population of Nova Scotia and New Brunswick, anybody can ascertain the amount payable to them per head, namely, 27l. 27s. The Bill then proposes that the same annual subsidy of 80 cents per head of the population, estimating it at 15,000, shall be paid as in other Provinces, and that that rate shall continue until the population is 400,000 as also in other Provinces. There is the further provision that the sum of 30,000 dollars shall be paid for the support of the Government. Although it is not at all required that the next clause should be in the Act, yet it is inserted, for some reasons,—as it was inserted in the Act respecting Newfoundland—in order to satisfy the people that certain services will be provided for, those services being thrown on the Dominion Government by the Confederation Act, such as the salary of the Lieutenant-Governor, postal service, collection of customs, &c. There are also provisions to satisfy the mixed population of the country inserted in the Bill for the same reason, although it will be quite in the power of the Local Legislature to deal with them. They provide that either the French or English language may be used in the proceedings of the Legislature, and that both of them shall be used in records and journals of both Chambers; that provision, as far as the Province of Quebec is concerned, is contained in the Union Act. With respect to the lands that are included in the Province, the next clause provides that such of them as do not now belong to individuals, shall belong to the Dominion of Canada, the same being within boundaries already described. There shall, however, out of the lands there, be a reservation for the purpose of extinguishing the Indian title of 1,200,000 acres. That land is to be appropriated as a reservation for the purpose of settlement by half-breeds and their children, of whatever origin, on very much the same principle as lands were appropriated to U. E. Loyalists for purposes of settlement by their children. This reservation, as I have said, is for the purpose of extinguishing the Indian titles and all claims upon the lands within the limits of the Province. There is a question, however, which, although small in itself, excites a great deal of interest among the purely white inhabitants, the descendants of the Scotch and English settlers, who are not half-breeds, and do not come within this category. It is, perhaps, not known to a majority of this House that the old Indian titles are not extinguished over any portion of this country, except for two miles on each side of the Red River and the Assiniboine. The lands that have been granted by deed or license of occupation by the Hudson Bay Company, run from the water or river bank on each side for two miles. But, from a practice that has arisen from necessity, and that has been recognised by the local laws there, in the rear of each of these farms, or tracts of land, held by the farmers or settlers, there is a right of cutting hay for two miles immediately beyond their lots. That is a well understood right. It is absolutely required by these people, and excites in them equal interest. The entire extent and value of those rights cannot be well established or fixed here, and it is therefore proposed to involve the assistance of the Local Legislature in that respect, and to empower it to provide, with the express sanction of the Governor-General, for the use in common of such lands by those inhabitants who may wish to avail themselves of it. My honourable friend (Honourable Sir George E. Cartier) reminds me of the question of the confirmation of the legal occupation of the people there. It is so obviously the interest of the people of this country to settle that Territory as quietly as possible, that it would be most a unwise policy for a new government to create any difficulties as to the rights of property—it would be most unwise to allow those difficulties to arise which might spring from one man having a title to a freehold, while his neighbour would only have to say he held under a lease of occupation. But as these settlers are not numerous, and it is of great importance that they should be satisfied. It is proposed to insert a clause in the Bill, confirming all titles of peaceable occupation to the people now actually resident upon the soil. But in the absence of necessary information here, it is proposed to invoke the aid and intervention and the experience of the Local Legislature upon this point, subject to the sanction of the Governor-General. The Government hope and believe that this measure, or a measure involving the principle which I have just mentioned will be satisfactory to the people of all classes and races in that country. This Bill contains very few provisions but not too few for the object to be gained, which is the quiet and peaceable acceptance of the new state of things by the mass of the people there and the speedy settlement of the country by hardy emigrants from all parts of the civilized world. While, Sir, we believe that this measure will receive the acceptance of the people of the North-West, that it will be hailed as a boon and convincing proof of the liberality of people and the Legislature of the Dominion; while we believe it will have that effect, it is quite clear that order must be restored; that peace must be kept in that country; and that the Government, which in future is to obtain control there, must be respected. It is necessary, also, that the fears of an Indian war and foreign aggression, which have been raised, very naturally, in the minds of the people of that country, from recent unhappy events, should be allayed. For all these reasons it is fitting and proper that a force should be there to cause law and order to be respected. I am glad to say that events have recently resulted in an arrangement by which, for the purposes I have mentioned, and in no hostile spirit, but with the desire, and the resolve at the same time, to establish law, and peace, and order—an arrangement, I say, has been made between Her Majesty's Government and the Government of Canada for the despatch of an expedition. That expedition will be a mixed one, comprised partly of Her Majesty's regular Troops, and partly of Canadian Militia; and from all those whom we have had an opportunity of seeing from the North-West, we are told that a force sent in that spirit, and commanded by an Officer of Her Majesty's service, under Her Majesty's sanction, will be received not only with kindness, but with gladness, and that the people will be glad to retain them much longer than, as a force, there will be any necessity for their staying. For so soon as these unfortunate feelings of fear and jealousy are removed, it will be, of course, proper that a force should be on as economical and limited a scale as due regard for peace and order will permit. These arrangements must, of course, be submitted to Parliament, and a vote of the House sanctioning the necessary expenditure obtained. For this object, I have no doubt, such a vote will be obtained. The force will be comprised of about one-fourth of her Majesty's Regular Troops, and three-fourths Canadian Militia, and the expenditure will be borne in the same proportion, her Majesty's Government paying one-fourth of the expenditure and the Dominion three-fourths. My honourable friend beside me

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(Honourable Sir George E. Cartier) reminds me that, since the written arrangement was entered into, which I have just mentioned, a proposition was made to increase Her Majesty's contingent by, perhaps, 140, making the number of regular Troops about 390, the balance being made up of Canadian Militia. This Militia was called upon to volunteer from different districts, and such has been the alacrity displayed, that if a force was proposed to assume the proportion of an army there would be no trouble in getting the men. Happily, that necessity does not, I am fain to believe, exist. It was only on Saturday that the final arrangement with respect to this force was carried out, and the House, therefore, could not any earlier than now receive this information. On Saturday the Order in Council was passed embodying the provisions I have mentioned. The cable has been in active operation on this subject for some considerable time, but it is only within a few days that the final arrangements I have indicated were made. When this measure comes up for the second reading, and when the Resolutions are proposed in Committee of the Whole, of course, explanations will be given in full detail upon every possible head of expenditure. I now move the first reading of the Bill.

Mr. MACKENZIE said it was manifestly impossible to discuss the Bill at that time, but he looked upon the whole proposal of the Government as one that was open to great objection, and that the whole course taken in the North-West matter was one exceedingly disastrous to the country. The House was informed at the beginning of the Session that the Government had declared taking possession of the country, and had not paid the amount agreed to with the Hudson Bay Company, in order to throw the expense of settling the disputes on the Imperial Government, and to force them to take possession for us, and to hand it over to us as a new purchase. He had always looked upon the Territory as their own, and the payment as a payment simply to obtain a quiet claim deed to us of that Territory. He looked upon the proposal of the Government as most reprehensible, and calculated to bring our Government and people into dispute with Imperial statesmen, as a refusal, under the circumstances, they had no right to make. He was now convinced, after much careful examination of the evidence of every one who had come from that Territory, that had the proposition been carried out, with good faith, that insurrection, with all its consequent troubles, disasters, and murder would have been avoided. In consequence of this conduct of the Government, they had been threatened with a war of races and nations; and now, as the result of all this political tergiversation and bad faith, the pitiable compensation of the Imperial Government being willing to pay one quarter part of the expenses attending the restoration of Government. This showed, more than anything he could name, the results of the policy the Government pursued, and the want of national faith which had characterised the Government in their dealing. With regard to the Government of the country he must, of course, examine the Bill in detail before he could venture even to give an opinion as to its merits, but it did seem a little ludicrous to establish a little municipality in the North-West, of 10,000 square miles—about the size of two or three counties in Ontario—with a population of about 15,000 people, having two Chambers, and a right to send two Members to the Senate, and four to the House here. The whole thing had such a ludicrous look, that it only put one in mind of some of the incidents in "Gulliver's Travels." It may be, on more close investigation, that more palliating circumstances might be brought to light for this extraordinary Constitution, but at the present moment he could only say that he looked upon it as one of the most preposterous schemes that was ever submitted to the Legislature. There was one or two matters in Sir John A. Macdonald's statement to which he would refer. He had told the House about the land policy; further than this, that lands in occupation held under license or agreement of the Hudson Bay Company were to be retained by those in possession, or the present local authorities, while the Dominion are to exercise control over the remainder of the Territory. A certain portion to be set aside to settle Indian claims, and another portion to settle Indian claims that the half-breeds have. But these half-breeds were either Indians or not. They were not looked upon as Indians, some had been to Ottawa, and given evidence, and did not consider themselves Indians. They were regularly settled upon farms, and what the object could be in making some special provision for them that was not made for other inhabitants was more than he could well understand. They were also told that clause in the Bill was to affirm all grants of lands, licenses, and other claims granted by the Hudson Bay Company. They were unable to pronounce an opinion upon the particular kind of claims embraced, but, if his information was correct, the Hudson Bay Company had dealt with a certain portion of the lands in that Territory in a way which we could not possibly justify nor recognize. If we had so dealt with lands as to bestow on certain corporations, whether secular or religious, tracts of land that would interfere with the settlement of the country, that question had to be met by the House if the Government had not had the moral courage to deal with it. He had no hesitation in saying that the statement made by the Premier was in that respect most unsatisfactory, or, at best, exceedingly incomplete. He had seen it stated in papers that a gentleman who had been employed under the Lieutenant-Governor—

Hon. Mr. McDougall.—No.

Mr. MACKENZIE said that he was being employed by the Government to purchase stores and organizing a corps of mounted police, but they had received no statement on the point by the honourable gentleman, and, in the absence of any answers, he would not comment upon the fact at present. There was another point to which the honourable gentleman had not referred. He had not said whether the Government had paid the money to the Hudson Bay Company. Without waiting for a formal answer might he ask that information now?

Hon. Sir JOHN A. MACDONALD.—It has not been paid, but it is to be paid immediately.

Hon. Mr. McDougall.—Before the expedition starts?

Mr. MACKENZIE.—I presume before the Bill passes this House.

Hon. Sir JOHN A. MACDONALD.—Yes.

Mr. MACKENZIE was glad of it, and would be ready to support the Government in it, and could only regret that it was not made sooner. He trusted that the Government would bring down such a statement as to the claims which were to be recognized in the clauses of the Bill; because in absence

of the knowledge as to the extent of these claims, it was manifestly impossible to pass any such claims. Everything must be done so as to retain the liberty of every class and creed of Her Majesty's subjects on the same footing, and that no one shall have any special claims or privileges recognized in that new Territory. He would look with very grievous apprehension on anything that would introduce into that new Territory the divisions which were for so many years so disastrous in our own country, and which kept many of the denominations concerned in these disputes in a state of internecine warfare, which produced so disastrous results to society generally, and particularly to the churches engaged. Anything that effect preventing this, we must insist on here; and that no legislation shall be initiated by this House which has a tendency to initiate, permit or perpetuate anything of that sort. If this was provided for it would, of course, obviate some of the objections to many clauses of the Bill. With regard, however, to the excessive expenditure which was to be imposed upon the Dominion by the arrangements of the Bill, it involved an amount of debt of 416,500 dollars.

Hon. Sir GEORGE E. CARTIER.—21,000 dollars a year.

Mr. MACKENZIE.—Yes. There would then be 12,000 dollars to make up the 50 cents per head, and, in addition, the Government propose to pay annually 30,000 dollars for Local Government. He could scarcely conceive that that amount was necessary. He thought if the amount was capitalized it would admirably provide for the interest of the Province. Roads were not required there as they were in other districts, and the expenses for building would not at all compare with that which was imposed on larger Provinces. If they were to carry on Government economically, it must be in the shape rather of one large Municipal Council than a Provincial Government. He should discuss the Bill more particularly when they had it before them; but it was necessary that the House should be in possession of all information the Government had had in preparing to discuss the measure. It was certainly unfair that certain Members of the House should be in possession of M. Thiebault's report, which he understood had been in print a fortnight.

Hon. Sir JOHN A. MACDONALD.—I can only say that it was not by the sanction of the Government.

Hon. Mr. MORRIS said it had not been sent to the printer's a fortnight.

Mr. MACKENZIE said, at any rate he had known it was in the possession of Members, and the way the House was treated in this matter was only on a par with their treatment from first to last. In the whole question the sense of the Government was most extraordinary, and he could not refrain from charging the Government with having, by their misconduct of this matter, thrown an enormous expense on the country, brought the Government into disrepute with the Imperial Authorities; and that, in refusing to keep faith in carrying out an agreement for a Territory, which we have always regarded as our own, they have plunged us into expenses which we cannot possibly conceive.

Enclosure 2 in No. 40.

DOMINION OF CANADA.

From the 'Ottawa Times,' May 4th, 1870.

Ottawa, May 2nd, 1870.

Hon. Sir GEORGE E. CARTIER said it would have been more opportune to have taken the objections at the second reading, rather than now. He himself would not enter on the merits of the Bill, but make a few prefatory observations in answer to those of the Member for Lambton. He had found fault with the Constitution of the Territory, and there being two Houses for so small a portion of the Territory. He referred to Prince Edward Island, with its population of only 85,000, and an area of only 1,300,000 acres, which, from the first, had a political organization and all the machinery of a Government, and to New Brunswick, which, at the time of its separation from Nova Scotia, had a population not larger than that of Nova Scotia. Manitobah was the key to the whole territory, and when they had defined its limits they had done a good work. This Bill had, as it were, disclosed the policy of the Government, for it was evident there was room between Ontario and the Rocky Mountains for several Provinces, and Manitobah was made the model or starting point for the Provinces to be erected to the Pacific Ocean. As to the objection that there was too large a subsidy, he said the new Province was entitled to be placed on the same footing as any other. If the people had waited till they were 50,000 or 75,000, instead of being entitled to \$21,000 a year from the Government, they would have been entitled to double or perhaps treble that amount. There was room in the Territory for a million of inhabitants, and yet for some time all the expenditure for this would be only \$21,000 for local wants, and a subsidy of \$30,000 a year for the Local Government. The land, except 1,200,000 acres, was under the control of the Government, and these were held for the purpose of extinguishing the claims of the Half-breeds, which it was a desire to leave unsettled, as they had been the first settlers, and made the Territory. These lands were not to be dealt with as the Indian reserves, but were to be given to the heads of families to settle their children. The policy, after settling these claims, was to give away the land so as to fill up the country. As it did so emigration would go westward, fill up other portions of the Territory, and so the grand scheme of Confederation would be carried out. Instead of, as in Newfoundland, where they were to pay \$150,000 a year for these lands, those in the North-west had been given up for nothing. It must be in the contemplation of the Members of the House that these could be used for the construction of the British Pacific Railway from the East to the West, and yet the Member for Lambton complained of the grant of \$30,000 at the beginning of the existence of the Province. Then they were to get 80

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cents a head till the population amounted to 400,000, and at the greatest estimate there never would be more than \$425,000 a year ever going to that Province, and that not for many years hence, but the sooner the better, as the greater would be the contributions to the exchequer. The population was now only 15,000, but the consumption was not for them alone, but for 200,000 Indians, who consumed an immense quantity of dutiable articles. After a few other observations, in which he said he would not enter into the question of the appointment of an officer of constabulary, and stated that he believed, when the Member for Lambton read the Bill carefully, he would recognize the wisdom of its provisions.

Mr. MACKENZIE said he had not entered into any explanation as to the mounted police, and the appointment of Captain Cameron.

Hon. Sir JOHN A. MACDONALD said that it was intended to have a body of mounted rifles to protect the people from the chance of an Indian war. Under the beneficent rule of the Hudson's Bay Company there was peace in the Territory, while across the line there were frequent wars, and the Indians were shot down by emigrants going West—shot down ruthlessly. As the expectation was that there would be a large influx of emigrants from Europe or from Canada, and there was a fear that emigrants from the American States, accustomed to deal with the Indians as enemies, would be shooting them down and causing great disturbances. The necessity, therefore, arose to have a small but active force of cavalry to act as mounted police, so that they could move rapidly along the frontier to repress disturbances; and it was not proposed to make the force more than 200 men. They would be drilled as cavalry, or rather as mounted riflemen, and be disciplined as a military body, but act as constabulary. Such a force would be amply sufficient for the purpose, and be enough to secure order.

Mr. MACKENZIE said that the question as to whether Captain Cameron was employed had not been answered. If he was raising a force, how and where was he doing so?

Hon. Sir JOHN A. MACDONALD said Captain Cameron had not received a commission. The Government had employed Mr. McMicken and Mr. Coursol as Police Commissioners, the latter of whom was engaging men in Lower Canada speaking French, and able to read and write, and to speak both French and English if possible. He intended to raise 50 men in Canada altogether, and 150 more in the Territory, commingling the different races, as had been done in India so successfully. It was the best force that could be raised, and by the commingling no predominance would be given to either.

Mr. MACKENZIE said he was glad to find that the Government had not employed Captain Cameron.

Hon. Sir JOHN A. MACDONALD said he did not say that. He said that a Commission had not been issued. He might say, however, that he was a most efficient officer.

Mr. MACKENZIE said he might be in his own place, but not in the position proposed. He had a further question to ask. A number of persons had lost their all in these disturbances, and had all their goods seized and used. Were they to receive compensation?

Hon. Sir JOHN A. MACDONALD said he did not know what he meant. He did not see how this House could deal with such a question. That might be a matter to be settled in England.

Mr. MACKENZIE did not see how they could go to England for compensation. He presumed they would not deny some remedy should be provided.

Hon. Sir JOHN A. MACDONALD said they had not yet reached that point, as this Bill was simply one for the Government of the country. The other was a separate matter, and will be so considered either here or in England, but it was premature to discuss it now.

Hon. Sir GEORGE E. CARTIER explained in French, in the course of which,

Mr. GODIN asked if the Constitution was to be submitted to the people before being passed.

Hon. Sir GEORGE E. CARTIER—No.

Hon. Mr. McDougall said he spoke with some reluctance on account of the position he had unfortunately held with respect to the Territory. With respect to the Bill, he might say he was both pleased and displeased. Pleased at its having been brought down, and displeased at its unsatisfactory character. It must be displeasing to every one to know that the bargain settled with the three Governments, had been refused to be carried out on the pretence of the motive, which it was said actuated the Government. It was known that the reason given was that the Government desired to compel the Imperial Government to put them in peaceable possession of the country. They had been so far successful that the Imperial Government had promised to send 200 or 300 troops into the country and to pay one-fourth of the expenses. He apprehended there would be some condition attached to that agreement which would probably lessen its value to this country. Were they to understand that the Imperial Government agreed to pay one-fourth of all the expense, no matter what might be the extravagance of our Government? Were they to bear one-fourth of the expense of constructing boats, many of which were constructed in Lower Canada upon the miserable rule that everything done must be distributed between French and English. The transportation of these boats to Collingwood would cost as much as the boats themselves. Were they to understand that the Imperial Government agreed to bear one-fourth of that extravagance? He believed not. With regard to the leading features of the Bill they did not commend themselves to his judgment. People were not prepared for, and did not want so cumbrous and intricate a system of Government, and it was absurd to impose it upon them. A cheap simple and direct system of Government such as that provided for in the Bill of last Session would answer every purpose, and would meet the almost universal approval of the people. He objected to the system of two Chambers, and was astonished to find the system proposed for Red River in view of its expense in Quebec and the success of one chamber system in Ontario. He hoped the Government would consent to change in this respect. In looking over the map of the new Province laid on the table, he noticed that an important Canadian settlement containing some four or five hundred families, namely: Portage la Prairie, had been left beyond the limits of the Provinces, though the boundary line diverged fifteen minutes to take in a small settlement marked on the map "Roman Catholic Mission." It was just as well there should be a little plain speaking on this point at an early day. It was known by the Government and the

country that the rebellion in the North-west originated with the Roman Catholic priesthood. ("No, No," from French Members). That fact was substantiated by the Commissioners of the Government who had been sent to that country. The priesthood desired to secure certain advantages for themselves, their Church or their people. And they advised their people to take the course they did. These facts could be proved beyond doubt if the House would grant a Committee of enquiry. He believed the respectable, wealthy, intelligent portion of the Roman Catholic population were opposed to that course and loyal to this Government, and would willingly accept the Government that was provided for in the Bill of last session. He warned the Government that amendments would be proposed to this Bill. With regard to the claims of loyalists from the Territory, he understood the Minister of Militia to say that they must look to England.

Hon. Sir GEORGE E. CARTIER said he had not stated that. He had mentioned when the Minister of Justice was speaking that these claims might fall on us or perhaps on England. He did not say decidedly that they would have to be settled by England.

Hon. Mr. McDougall accepted the explanation, and went on to argue the justice of these claims, and the necessity of their being attended to by the Government. The Imperial Government were under no obligation to settle these claims. He concluded by denouncing the appointment of Captain Cameron to the head of the police for Red River as the most unfortunate selection that could be made.

Hon. Sir FRANCIS HINCKS said the Hon. Member for North Lanark seemed unable to comprehend the policy of the Government. With regard to the non-payment of the money, he would only ask the House to consider the position of the Government when the unfortunate interruption to the hon. gentleman's entrance into the Territory took place. They should look at the season of the year and the surrounding circumstances. What would have been the consequences of the payment of the money on the 1st December last? The inevitable consequences would have been the immediate transfer of the country to Canada. They had been told by the press that they should have sent up a military officer, who would have gone to the country by railroad, as did the hon. gentleman, and entered the country alone.

Hon. Mr. McDougall—An absurd suggestion.

Hon. Sir F. HINCKS said the Government at once saw that at that season of the year, in the first place, it was impossible that Canada should take the government of that country. It was essentially important, and every day had made them more convinced of the view they took, that without reference to the paltry question of expenses, that we should have the prestige of the Imperial Government in getting up and sending an expedition there, to establish the Queen's authority, instead of leaving Canada to commence the war with that people on its own account and on its own responsibility, thereby inviting fillibusters and sympathisers from the neighbouring States to come in and join in, and thus involve the country in an expenditure of which no one can have any conception.

Hon. Sir GEORGE E. CARTIER—Hear, hear.

Hon. Sir F. HINCKS said, when the Government first heard of these circumstances, before the lamentable events which subsequently occurred had taken place, they at once took the very best means to allay the discontent which existed more particularly among a certain portion of the population. We were unsuccessful because—he was sorry to say it and regretted to have to go into that question—of the unfortunate mistake committed by the hon. gentleman.

Hon. Mr. McDougall—No, no.

Hon. Sir F. HINCKS could readily understand, and feel that it was his bounden duty to stand up and defend himself. But if things had been allowed to remain until the Government of this country had been able to prescribe a policy which, under the circumstances, if they had been allowed to employ the agencies which they at once took steps to employ—if Father Thibault had gone up, and the proclamation never been issued, and the force not been invited to go on, he was perfectly certain that in a very few days Father Thibault would have settled matters. If the hon. gentleman had remained quiet until he had known the views of the Government, there would have been no difficulty whatever. It was not a question of expediency. The time of paying the money was the question. They thought that the right time for paying the money was when the Queen's authority had been restored. Then it was quite right that quiet should be restored by a force acting under the Imperial officers, and having the prestige of our Sovereign, thus presenting the appearance of its being a war between one section of the Dominion and the people. It was a view taken by the Government, it was not a mere question of expenditure. If the Territory, of course, had been transferred to Canada, they could not expect England to contribute any share of the expenses. We have got to maintain peace in our own Territories, but under the peculiar circumstances of the case, it was important that the force should be essentially an Imperial force, and not a Canadian force.

It being six o'clock the House rose for recess.

AFTER RECESS.

Hon. Sir FRANCIS HINCKS resumed the debate. He said he was bound to place on record his opinion of the Act which had produced the most disastrous consequences in the Territory, that was the issue of the proclamation by the Member for North Lanark, when sent as Governor of the Territory. The intentions of the Government were most liberal. The Legislature was only provisional in its nature, and they had sent one who had been a warm advocate of the policy of acquiring that Territory to be settled in great part from the four older Provinces. The Government had given instructions which in his (Sir Francis') judgment, no exception could be taken. His object was to get there, to place himself in communication with all parties, to obtain all the information possible and inform the Government what kind of constitution was most suitable. Notwithstanding what he conceived to be the wise course taken by the Government, the strongest opposition was offered by the leading organs

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of the Opposition in Ontario. Every means was taken to excite distrust in the Canadian Government. It was said they intended to ill-treat the inhabitants of that country, that they had no intention to regard their wishes, and he believed that a great deal of the discontent was due to these efforts. He was disposed to make every allowance for errors of judgment in the performance of the duties imposed on the Member for North Lanark. But when the Government as a Government expressed their disapproval of his course which they firmly believed led to the consequences which they had all seen, he could not but deplore the action which led to such a disastrous result. It was the duty of hon. Members, and they could not but sympathise with those who were acting in that Territory in sympathy with the Canadian Government, but there could be no doubt they took a course which led to evil results. Honourable Members talk of claims, but he could not see how the Government could deal with claims which had not been presented. No such claims had been made, but even if they had that was a question entirely apart from that of the Bill brought in by the Minister of Justice. It had nothing to do with it, and it was unfortunate that the question should be raised. He would deal with representations made by those persons peculiarly distinguished as Canadians, as opposed to what some honourable gentlemen were pleased to call the rebel party, but which he would distinguish as the mixed French and Indian race, chiefly Catholic in religion. Could it be made clear to him that those against whom the honourable gentleman protested had asked exclusive privileges he could understand it. But he had read a letter in one of the papers to-day, addressed to the Governor-General, and signed James Lynch, a gentleman assuming, and no doubt correctly assuming to represent the wishes of a large portion of the population, and one for whom he had the highest respect. He had carefully read the letter, and had endeavoured to see if there was any real grievance against these persons, or if the Government had committed any error from the point of view of those whom Dr. Lynch represented. It had already come out in the course of the discussions that in all questions coming before the Government, they had not considered the question whether the delegates were representatives of the majority or minority. Admit that they represented the minority; admit even that as alleged in the letter, had been the appointed by gentleman Mr. Riel. It was admitted that one delegate did not represent him. That was Judge Black who was brought to accept the mission with great reluctance, his name having been given as the letter states, as a sort of sop to those not under Mr. Riel's influence. Assume that all the statements made by Dr. Lynch were correct, and he would ask if the Bill was open to the objection of pressing on those whom Dr. Lynch represented. What were the points in contention? First, these delegates would have desired—as stated in the Bill of Rights—that they should have the whole lands of Manitoba into their possession, that is into the possession of the Local Government. What he wanted to establish was simply this; that all those identifying themselves with the Province of Manitoba were all equally interested in getting all they could out of Canada whether by way of subsidy or otherwise. He did not understand that any of them were afraid of elective institutions. On the contrary they were quite ready to assent to them. Put aside for the moment the second chamber and elective institutions with an elective chamber as in other Provinces, he was satisfied they would not object to. His experience in the Dominion Government satisfied him that the Governments of all the Provinces and the people desired to get all they could out of the Dominion.

Hon. Mr. CHAUVEAU—Except Quebec.

Hon. Sir FRANCIS HINCKS said he excepted neither Quebec nor Ontario. On the other hand the Dominion Government were there to protect the Dominion Treasury. Well, as far as he was aware, all points had been fully discussed between the Dominion Government and the gentlemen who had been sent as delegates. He believed the Dominion Government could have made better terms with those representing Canadian interests, than with those representing the Convention. Whether they had been freely elected or elected under terror he would not discuss, and, so far as he could find, they did not come to ask any special legislation for any class, Canadians as well as others being equally protected.

Mr. MACKENZIE—At whose instance was the English settlement excluded?

Hon. Sir FRANCIS HINCKS—He would come to that by-and-by, that was a small question. But on all points no particular party claimed any special interest; the best terms were to be obtained for all parties. The Member for Lambton had argued that the Dominion Government had given too much. That was a fair subject for criticism, but not as between one section of the population there and another, for the arrangement was made for the good of all. It was perfectly clear that when the difficulties were settled and the Queen's authority established that a vast emigration would be pouring into the country, from the four Provinces but principally, there was no doubt, from Ontario, and the original inhabitants would thus be placed in a hopeless minority, and of this, they themselves had no doubt. If this were correct it was perfectly obvious that those who had been occupying the Territory all their lives would naturally take this view: That they were to be entirely swamped and their influence destroyed, that all their lands were to be taken, not as in the other Provinces, and that they would have to take simply a moderate portion of land for the settlers and their children, not for one class but for all. There was not one point he could discover in which the delegates—representing a minority if you will—took a sectarian view. There had been a good deal of sneering at large institutions for a small number of people in the Territory. Although he could cite constitutions granted by the Imperial Government to places with populations smaller, and without the least prospect of increasing, as there was likely to be an increase here with a representative chamber, yes, and with a second chamber. Yet he would readily admit the perfect absurdity of the whole scheme if they were providing for the total of 15,000, instead of the population which would go there. Before the month they were now entering was well advanced, they would be flocking in, and in so short a time that he was afraid to say how short an immense population would be enjoying the institutions of a free British people. His hon. friend, the Minister of Militia, had correctly pointed to the fact that in 1791 when Upper Canada was made a Province its population was less than the population in the Northwest now. He had great faith in the future of that country. Unfortunately the gentleman to whom

the Government looked to for responsible advice had from circumstances been unable to afford this, and the Government were compelled to deal with it on their own responsibility. Therefore, it was not dictated, nor had the result been brought about by any delegates, although they were consulting with them, and were happy to believe they were prepared to acquiesce in the decision at which the Government were arrived.

Mr. MACKENZIE—Then they saw the Bill before we did.

Hon. Sir FRANCIS HINCKS—They have not seen it yet.

Mr. MACKENZIE—How could they acquiesce?

Hon. Sir FRANCIS HINCKS—They knew its general principles. Did he mean to say it was wrong to communicate with these persons?

Mr. MACKENZIE—He did mean to say so. Drs. Schultz and Lynch and Mr. Fletcher were as much entitled to be consulted as the rebel delegates, and they never had been so.

Hon. Sir FRANCIS HINCKS said he must know that the whole object was to make such condition as would be for the interests of the friends of Drs. Schultz, Lynch, and Mr. Fletcher. They were quite satisfied with the policy of the Government, and acquiesced in it for the Canadians.

Mr. MACKENZIE said they were not satisfied.

Hon. Sir FRANCIS HINCKS said he held in his hands proof of it in the letter of Dr. Lynch, in which he said he had confidence that the Government would deal fairly with the people. They were not the dissatisfied party. Did the hon. gentleman mean that it would be a statesman-like policy to force the people into war. The Government policy was to get the country peacefully, and when it became thoroughly Canadian the people now there must necessarily be in the minority. But, not satisfied with getting the country, they must also have war.

Mr. MACKENZIE.—Who says that?

Hon. Sir FRANCIS HINCKS said, it was not only the opinion of the Canadian Government that no policy could be more adverse than that to the interests of Canada, and, if they had adopted a policy against conciliation, they would not have had the confidence of the Imperial Government. They had taken the course, from first to last, which was wise and prudent, and in consonance with a majority of this House. The Imperial Government had, at first, found fault with the Government for not paying over the money, but when they saw the reasons that were given, that they were wise and statesman-like, they approved of them, and were now acting in close co-operation.

Mr. MACKENZIE said they had never said so.

Hon. Sir FRANCIS HINCKS said they had acted in a manner to show that they were satisfied. It would have been an act of madness if they had paid over the money in December, in the depth of winter, to be left on the hands of Canada, who would be compelled to enter on the war in the Spring, and exposed to meet all kind of filibustering, and an expensive and disastrous war. He was not going to enter into any details of the Bill. That would be better done on the second reading, but he had called attention to the remarks on the unsound policy of the Government to show that it had been an unsound policy throughout.

Mr. FERGUSON asked how 190 families had been left out at Portage la Prairie, as laid down in the map.

Hon. Sir JOHN A. MACDONALD said the object of the residents had been to obtain possession of the whole country. They wished Rupert's Land made into one Province, and to have all the land within the boundary as in other Provinces. The Government thought, as he believed did the majority of Parliament, that that great country should be divided into Provinces with as restricted a boundary as possible, and the only reason that led to the exclusion was the belief that the settlement would form the nucleus of the new Province altogether British. It was pointed out that it was impossible to hand over the country to be legislated for by the present inhabitants. He pointed out that the Territory had been purchased for a large sum from the Hudson's Bay Company, that settlement had to be made with the Indians, the guardianship of whom involved, that the land could not be handed over to them, it was of the greatest importance to the Dominion to have possession of it, for the Pacific Railway must be built by means of the land through which it had to pass. He could assure them that in discussing with the delegates from the Convention they did not suggest this division. They wanted the whole country, but they insisted at last on so arranging that they should touch and obtain access to Manitobah Lake on the one side, and Lake Winnipeg on the other.

Mr. MACKENZIE.—And exclude the English?

Hon. Sir JOHN A. MACDONALD said if they were excluded from that Province they still belonged to the Dominion, and if asked man by man they would prefer Government by the Dominion to be governed from Fort Garry. But the Bill provided that the Province should be extended if Parliament should insist on a different policy, and instead of a series of Provinces extend the boundaries.

Hon. Sir JOHN A. MACDONALD said there were other gentlemen in the Province not included.

Mr. MACKENZIE.—No. Several Members. Name them.

Hon. Sir JOHN A. MACDONALD said the posts of the Hudson's Bay Company were settlements.

Mr. FERGUSON was exceedingly sorry to have given the honourable and gallant Knight, the Minister of Justice, the trouble of making so lengthy an explanation, which was, nevertheless, he regretted to say, not quite satisfactory to him. He should have desired that the whole people of the North-west should have been included in the new Province. This, he perceived, was not the intention of the Government. He, however, could not help believing that the 3000 English-speaking settlers at Portage la Prairie should have formed part of the Province of Manitobah, coming thereby within the new Government, and taking a share in it. Nay, he would go further, and say that he had hoped that even those posts of the Hudson's Bay Company, within reasonable bounds, where there were 200 settlers, should not have been left out of the pale of the proposed Government and Legislature of Manitobah. The determination at which the Government, apparently, had arrived of leaving out the settlement of the Portage la Prairie, and the settlers at the posts, had no doubt been come

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to after mature consideration, and was the result of the best information which they had obtained. That information, nevertheless, may have been, to some slight extent, one-sided, and he might be excused for entertaining the idea that on this point the opinions of gentlemen representing the loyal people of the country were entitled to as much weight as were those of the men whom Riel had delegated to express his views and wishes. With some of those loyal gentlemen he had come in contact, and he could not refrain from stating that he had never heard them express any wish to the effect that the people of La Prairie, or any other of the English settlers in the North-west, should be left out of the proposed Government. He, indeed, thought that they could not do otherwise than desire to be included in it. Fort Garry, which was the capital, the chief, and he might say the only city in the proposed Province of Manitobah, was not more than sixty miles distant from La Prairie. There was every reason why they should form a part of the new Province, and no good reason whatever that they should be excluded. The idea of excluding them was preposterous. The exclusion of an English-speaking settlement so near the chief city—the capital, in fact, of the new Government—could not be carried into effect without causing the remark, and suggesting the inference that there were other reasons besides those alleged for so short-sighted a proceeding. The cutting off of these people was not a mere temporary expedient, but an arrangement which might last for years.

Hon. Sir JOHN A. MACDONALD said there were other settlements in the Province not included.

Cries of "Name."

Hon. Sir JOHN A. MACDONALD said the posts of the Hudson's Bay Company were settlements.

Mr. FERGUSON repeated that, in his opinion, all the settlements should be included in the new Province. At Portage la Prairie there were 3000 settlers, and at the posts there were 200 settlers at the lowest computation. These should all come within, and be included in the Province of Manitobah. Setting that matter aside for the moment, he might further be permitted to remark that there seemed to him to be no necessity for a Legislature with two Chambers—an Upper and a Lower House—for 11,000 people—the balance of the whole population of 15,000, when La Prairie and the posts were left out of the question. Indeed, he very much doubted whether this House had authority under the Act of Confederation, to constitute an Upper Chamber. There did not seem to him to be the slightest necessity for two Houses, and he could not conceive it to be possible that two Senators should be permitted to so very few people as their representatives in the Upper House of the Dominion Parliament. The new Province, in his opinion ought to embrace far wider limits than was intended, and, without the power of attaining his wishes in this respect, he could not resist the temptation of giving expression to his views upon what seemed to him to be a very important matter. There was one other matter to which he would allude before sitting down. Heretofore, in all his transactions, he had always found the Hon. Minister of Militia liberal towards the whole English-speaking race, and he (Mr. Ferguson) had never failed to defend him—and that too, at a time when his name did not stand so high in Ontario as it now does, when he was attacked. He admired the honourable gentleman for his undoubted pluck, public spirit and liberality, and only regretted that he could not now go so fully along with him in this measure as he could have desired. He had no hesitation in remarking further that he had, on excellent authority, ascertained that the origin of the outbreak was not attributable, as had been alleged, altogether to priestly influence. There were possibly some priests, who had from mistaken motives, taken part in the resistance to Canadian authority, but there were other parties besides Roman Catholic priests, who had no mean share in instigating the outbreak. He certainly trusted that the Bill was open to amendment, as unless it were so open, he could not afford to give it his support.

Hon. Sir JOHN A. MACDONALD said the Bill, of course, was open to amendment.

Mr. FERGUSON hoped that it might be so amended as to include the Portage La Prairie in the new Province.

Mr. MASSON (Terrebonne) had found it impossible to agree up to the present moment, with the Government on the North-west embroglio. Had always thought that the Government had made a great mistake in not consulting the inhabitants of the Territories, in not taking the advice of persons of standing, who would have been most happy to tender advice if required. He had not one word to discover in all he had said on this question, and had remarked with pleasure some time ago, that the Hon. Minister of Militia had manfully admitted himself, that the Government had been mistaken as to the nature of the Government existing in the Red River settlement, thereby admitting what he (Mr. Masson) had contended for, that the rule of common prudence had been discarded. He had always thought one of the greatest faults of the Government had been the nomination of the Hon. Mr. McDougall as Lieutenant-Governor. He was sure that many an Englishman, both in the House and in the country, who by their liberal turn of mind, would have been most acceptable to the population. The hon. Member for North Lanark had this evening by his attack on the Catholic clergy fully justified the opinion that no worse nomination could be made to govern a people composed of men of different religion and races. He (the Member for North Lanark) had found fault with the Government for having granted a liberal representative Government to the new Province. The accusation came badly from a Member of the great liberal party of Ontario, and would be resented by all men in the country, who believed in liberal institutions. The accusation came badly from a gentleman belonging to the then small Province of * which had obtained representative institutions when only inhabited by a few thousand people. He (Mr. Masson) was grieved to hear the Member from North Lanark attacking the Roman Catholic clergy in this very moment, when it is perfectly known that the pacification of the Red River was due to the untiring efforts of the Right Rev. Bishop Taché, a most patriotic, able, and liberal-minded gentleman, who had by his loyal influence induced Riel and his followers to hoist the English flag on the bastions of Fort Garry, and had it saluted by the guns of the Fort. He (Bishop Taché) had brought to submission men who had taken from their fathers those principles of freedom, of which the two great races inhabiting this country are so proud, and their interests of liberty of the wild men of the desert. The Member for North Lanark had charged the Government with being the cause of the disasters which occurred in

* Sic.

the North-west, and were responsible for all damage done. He (Mr. Masson) was of opinion that the Government were not blameless in this matter; he held them responsible for a great part of the mischief done, but it did not come well from the Member to charge them with it, when it was known that his unfortunate and unauthorized proclamation had more to do with the continuance of the disturbance than the mistakes of the Government. Had his proclamation been acted upon, he would have been responsible for the lives and property of Her Majesty's subjects, and the weight of damages done by the Government, would have been still greater, and told more heavily on those, and wherever they may be, who will be obliged to pay the indemnity. As to the measure, he (Mr. Masson) thought it was a liberal-minded measure so far, and would be considered by the people of Red River as an atonement for their disregarded rights. He would not now examine the question of the expedition further than to state that he thought every Member of the House felt that the Imperial Government had not dealt fairly with us, and our Government in the proportion they assumed of the expenditure required for that expedition, when it was considered that the country had never been ours. He would support the Bill as a whole with all reserves as to the expediency of the expedition, and our share of the contribution.

Hon. Mr. HOWE said the discussion might be carried out on some of the questions that had arisen during the debate. He could not expect to be entirely silent on the subject of the North-West, and strange criticisms and remarks had been passed on him. With regard to the charge made against the Government that they acted dishonourably in not paying the 300,000*l.* for the possession of the country. If they had paid that money, under the circumstances, was it likely that they should have got possession of the Territory? He wondered what would have been said if the money had been paid and lost the Territory too. He would have liked to hear the member for Lambton speak on that if it had occurred at the following Session. They had some reason to apprehend that not being then well satisfied with the transfer of the Territory that there was some uneasiness among the employés of the Hudson's Bay Company. Will they have to pay over that money to strengthen the hands of those men? No, they paused in their action. They raised the money, put it in deposit, and in a few days they had a strong confirmation of the wisdom of their proceedings in the telegrams from Hon. Mr. McDougall relating that disturbances had taken place, and showing the want of action of the Hudson's Bay Company, ascribing it to the weakness and imbecility of the Governor. This was evidence of the weakness of the Company furnished to them on the 13th of November, and he put it to the hon. gentleman, that matter not being cleared up during the whole winter, whether they would not have incurred grave responsibilities? The Company would have said, we have got the money and there is nothing for us to do in the matter of preserving peace, let us leave it entirely to the Government of Canada. They, therefore, did not pay, and were there to answer for it. The position if they had paid the money to have resulted in circumstances which would have merited the application, to them of being worse than abusive. They would have been in a position of having nominal authority and possession of a country for the whole winter, in which they could not place their foot. They threw the responsibility on the Hudson's Bay Company and the Imperial Government. They wisely held on to the money; that was the first point. He did not think that the honour of the country had been tarnished by that action. If the British Government did not come to maintain their power in this Territory it was a very difficult course to that which he had always associated with the name of Great Britain. If that ancient empire was to be held together, if the loyalty of the country inhabitants were to be maintained, this was not the course to be adopted. The spirit with which the British people met the Abyssinian outlay gave strength and prestige to the present expedition. It was something to have the Queen's authority for passing out of our own limits to that country where we expect to have our power maintained and enforced in the future. If from any cause the Queen's Government were to refuse to participate in this expedition of peace, he would not like to advise the people of Canada to embark in it. The Hon. Mr. McDougall seemed to throw on the Government the whole blame. He (Hon. Mr. Howe) had been in the Territory for several days without knowing that there was a danger of insurrection; but the blame rested on the Hon. Mr. McDougall as Minister of Public Works, who had constant communication with his employés in that country, and yet did not inform him (Hon. Mr. Howe) in the fall that there was a danger of insurrection in the Province. Mr. Snow was there fifteen months, but did not say anything about it; and Colonel Dennis, who started in August, and was selected by Hon. Mr. McDougall, and was responsible to Mr. McDougall, but neither of them had given the slightest intimation that there was to be any conflict or any serious interruption to the progress of the Canadian Government. And yet he was expected to find it out in a single day. The inhabitants were not savages.

Hon. Mr. McDOUGALL—Hear, hear.

Hon. Mr. HOWE said the intelligence of the people was remarkable. The Bishop of Rupert's Land invited him to come to his house, and he found him a prelate of the highest character and intelligence, and his second man a hard-headed Scotchman. They had Sabbath and day schools. He crossed the river and found in the Catholic diocese of St. Maurice the same intelligence and beautiful structures. He did not like the term half-breed, but they were told that because of that they were to be crushed down.

Hon. Mr. McDOUGALL—Who said that?

Hon. Mr. HOWE—I don't know, but we will assume that the idea is in some one's head, and is deserving of being crushed out. He thought at the time of the Norman Conquest that the English were half-breeds, but out of these mixtures came the noblest breeds. With regard to the system of two Chambers, as an individual member of the Government he would prefer a single Chamber if the people desired it; but in giving them two Chambers they were only giving them what was given to every British Colony, and would give the people of Manitobah no cause of complaint. Of course the Local Legislature would have power to do away with one Chamber if they did not want it. He would not undertake to say that perhaps two or three priests had not aided in the insurrection; but supposing that was so, the plain duty of the Government was to do what was right irrespective of the

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conduct of two or three priests. Let us not mar the glorious work of founding a Province, which would one day be an honour to the Empire, by any reference to each other's religion. The hon. gentleman went on to defend the appointment of Captain Cameron, and intimated that had he owned or controlled a newspaper his conduct would have been regarded in a different light. With regard to the claims of the loyalists, he would state that this Government and Parliament might be trusted to do justice in a matter of this kind. All claims would have to be investigated before they were considered.

Hon. Mr. McDougall said the Hon. Secretary of State endeavoured to shield himself from the just indignation of the country, by throwing the blame upon Colonel Dennis and himself. He would admit that the Government had no information, when he was appointed, of a threatened uprising against the authority of the Canadian Government. On the contrary the Government had an interview with Governor Mactavish not long before his appointment, and he gave no hint of any prospect of trouble. But when the Secretary of State went to Red River there was trouble exhibited, but yet he did nothing to allay it, but on the contrary had told them that they were right in resisting entrance to the coming Government, and he charged that hon. gentleman with being the chief instrument in the whole matter resulting so seriously. He had informed the people, in effect, that they had only to do as Nova Scotia did and they would succeed. The rebellion would have been a mere trifling affair had it not been sustained by the advice and recommendation of the Secretary of State. These facts he could prove before a Committee of the House, if one were appointed. With regard to his own conduct, he held that he was justified in assuming that the day agreed upon for the transfer, the transfer would take place, and that his commission would come into effect. But he discovered, a few days after the first of December, from a paragraph in a newspaper, which was the first intimation he had, that the Government had failed to keep their promise, and that the money would not be paid over. Why was not a messenger sent to him to inform him of the intention of the Government to break up the arrangement with the Imperial Government. With regard to the despatch of the Secretary of State to him, about which so much had been said, he would take this opportunity of replying as he had never done, it being understood that it would not be laid on the table along with the other papers. He explained that at the time the proclamation was to be issued, the loyal people were ready to admit him, were anxious in fact for him to come, and under the circumstances he felt he had a right to assume that the royal proclamation had been issued. Acting on that assumption he sent Colonel Dennis ahead, but as Riel had promised that he only wanted the rights of the people, Colonel Dennis acting on the advice of leading men, had decided not to keep the people in arms. He (Mr. McDougall) admitted he had no authority to act, but how was he to know? It was absurd to say that the Hudson Bay Company should have maintained order, as they were in a moribund state of existence. With regard to the remarks of the Minister of Finance, he contended that the action of Colonel Dennis had not the effect of prolonging the rebellion. The insurgents had their plans all laid, and were determined to carry them under all circumstances. He was not disposed to accept any more than his share of blame in the matter. He acted faithfully with the Government, and he never for a moment dreamed that they would go back from the agreement they had entered into. He believed that if Bishop Taché, when he returned, had exerted his full authority to induce the followers of Riel to return to their homes, Riel would not have a corporal's guard left to sustain him. He referred to the recommendations of Mr. D. Smith that a force should be sent to keep the Indians quiet, and characterized it as a libel on the Indians, who were thoroughly loyal to the British Crown. Referring to the Bill, he hoped the boundaries would be changed so as to include the country lying between the Red River and Lake Superior, and also the English Settlement of Portage La Prairie.

Hon. Mr. CHAUVEAU replied to the remarks for the Member for North Lanark, that Quebec was on the verge of bankruptcy owing to the burden of the two Chambers. He asserted that Quebec had a balance on hand of 500,000 dollars, and explained the different position Quebec occupied to that of Ontario. He went on to argue that half-breeds were not an inferior race, and contended that no proof had been produced of the charges against the Roman Catholic priesthood that they had fomented the insurrection. He proceeded to criticise at length the action of the Member for North Lanark in the North-West, and the despatches and subsequent conduct of that honourable gentleman.

Mr. MILLS asked if the Dominion Government would retain the right to appoint Senators from Red River, or would that right be left to the Local Government.

Hon. SIR JOHN A. MACDONALD said it was impossible at the time the address was passed for the admission of Rupert's Land, to know what representation should be given in the Dominion Parliament, and, therefore, he had put it in the original Constitution—so representation was provided for in the present Bill. It would be hopeless to expect that freemen would consent to be united to Canada without a representation in the Canadian Parliament being provided for. Hence the necessity for such a provision in that Bill. He regretted the nature of the discussion that had taken place with regard to the principles and details of the Bill. Government would be glad to have full and free discussion. He hoped that the honourable gentlemen in ventilating their private grievances would take care not to use any expression that would throw any obstruction in their way, expressions which would be reported in the North-West; that they would take care that by throwing words across the floor of the House they did not wound the sensibilities of a high-minded and jealous people. With regard to the question of boundary and the size of the new Province, the Government would fully consider it, but he considered it would be injudicious to have a large Province which would have control over lands, and might interfere with the general policy of the Government in opening up communication to the Pacific, besides the land legislation of the Province might be obstructive to immigration. All that vast Territory should be, for purposes of settlement, under one control, and that the Dominion Legislature. Another consideration was that by obtaining the control of these lands they would be able to obtain means by which they would be in a position to obtain repayment of the disbursement of the 300,000*l.* for the purchase and of the expenditure which they

might be hereafter put to. The expense would be defrayed by that means instead of being charged against the people of the Provinces of Ontario, Quebec, Nova Scotia, and New Brunswick. That could be done, however, only by carrying out that policy of keeping the control of the lands of the country, and that they had determined to do. The Government thought it was a wise policy that the limits of the Province should not be too large. These considerations, however, they would place more strongly on the judgment and discretion of the House on the second reading.

Mr. STIRTON asked if the Minister of Justice had any authority for the statement that the people of Portage la Prairie desired to be left out of the new Province?

Hon. Sir JOHN A. MACDONALD said he had, and would give it to-morrow if he obtained permission.

Mr. STIRTON said some of the people settled there had gone from his neighbourhood, and he happened to know that their sentiments did not bear out the assertion of the honourable gentleman. He (Mr. Stirton) thought one objection to the creation of small Provinces was that it involved farther increase in the number of Cabinet Ministers, so as to give them all representation in the Privy Council. He also objected to leaving a large area of Territory between Lake Superior and Red River without any organization. It would be a sort of no man's land, belonging neither to the Province of Ontario nor Manitoba, and would probably become the refuge of every outlaw in both Provinces, and a source of constant trouble and difficulty.

Mr. MACKENZIE said he was not inclined to submit to the exclusion of the Portage la Prairie country from the new Province; and unless the Government yielded upon that point, he would offer an amendment on the second reading. He also objected to the smallness of the Province, and said, if the whole of the fertile belt were to be cut up in that way, it would make some twenty or thirty Provinces; He demanded that the Government should bring down further information on the subject, so that the House might be able to discuss it intelligently, with the aid of all the facts which have enabled the Government to form the conclusions it had reached.

Dr. GRANT said it would wound the sensibilities of the people at Portage La Prairie if they were excluded, and he urged the Government to reconsider its conclusion on that point.

Hon. Mr. WOOD said the general features of the measure met his approval; but there was one point to which the attention of the Government, it seemed to him, had not been sufficiently directed, and that was the care and guardianship of the Indian tribes. He referred to the laws which had been passed in Canada with regard to Indian annuities, which were now placed upon the civil lists in obedience to the requirements of the Imperial Government, and asked if the Minister of Justice had stated that 1,200,000 acres of land were to be reserved and placed at the disposal of the Local Government of the Province for the extinction of the Indian titles. Now he (Honourable Mr. Wood) wanted to know if the Government proposed to entrust to this new Province, unaccustomed to the exercise of the functions of a Government, the payment of the Indian annuities, which would have to be made for the purpose of extinguishing those Indian titles, or did the Dominion Government intend to retain in its own hands the power of dealing with those Indians and seeing whether contracts or undertakings made with them should be faithfully carried out. There was an apprehension that, under the pretence of confirming grants made by the Hudson Bay Company, large blocks of land might find their way into the hands of certain corporations and thus be locked up and withheld from settlement. He confessed the explanations of the Minister of Justice had not satisfied him on that point.

Hon. Sir JOHN A. Macdonald said the reservation of 1,200,000 acres which it was proposed to place under the control of the Province, was not for the purpose of buying out the full-blooded Indians and extinguishing their titles. There were very few such Indians remaining in the Province, but such as there were they would be distinctly under the guardianship of the Dominion Government. The main representatives of the original tribes were their descendants, the half-breeds, and the best way of dealing with them was the same as United Empire loyalists had been dealt with, namely, giving small grants of land for them and their children. That was the answer he had to give to his honourable friend.

In reply to Mr. RYMAL—

Hon. Mr. HOWE said that the Government only knew that the prisoners were all released, the mails were free, the country was opened, and the Hudson's Bay Company had commenced to sell their goods again.

In further reply to Mr. Rymal—

Sir JOHN A. MACDONALD said no writ had been issued against Riel; the proper power to arrest Riel was the Imperial Power. It was with her and her only that steps could be taken. If any offenders are brought within the bounds of Canada, they had to be tried. They could not have any *ex post facto* jurisdiction.

Mr. MILLS asked if the prisoners were in confinement would they be set free therefore on the transfer to this Government, and whether crimes committed anterior to the transfer would not be subject to punishment according to law?

Sir JOHN A. MACDONALD said if there was a prisoner in Newfoundland at Confederation he would be tried under the same laws as he was taken into custody under.

Hon. Mr. HOLTON asked if the Bill was complete, or whether it would be recast after the discussion that night.

Sir JOHN A. MACDONALD said the Bill was drafted and complete.

The Bill was read a first time.

Second time to-morrow.

Hon. Mr. HOWE then laid on the table the Report of Father Thibault's mission.

Sir JOHN A. MACDONALD laid on the table the Report of the Postmaster-General for 1869.

Mr. MILLS asked if any application had been made to the Government on behalf of any person or persons on account of losses sustained by him or them from the destruction of property by the insurgents in the North-West?

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Hon. Sir JOHN A. MACDONALD said there had been no formal applications, but they had heard statements made of such losses.

Mr. MILLS asked if the Hudson Bay Company had made any such claim.

Hon. Sir JOHN A. MACDONALD.—No.

Mr. BOWMAN asked why postage rates on papers to Germany had been raised from 6 cents to 9 cents, while postage on letters had been reduced, and whether it was the intention of the Government to correct this anomaly?

Hon. Mr. LANGEVIN said the arrangement rested with the Imperial Government. The matter, however, was still in abeyance.

Hon. Sir FRANCIS HINCKS gave notice of a Resolution relating to superannuation.

The House then adjourned at 11:55 p. m.

Enclosure 3 in
No. 40.

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No. 91.]

BILL.

[1870.]

An Act to amend and continue the Act 32 and 33 Victoria, chapter 3, and to establish and provide for the Government of the Province of Manitoba.

WHEREAS it is probable that Her Majesty the Queen may, pursuant to the "British North America Act of 1867," be pleased to admit Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, before the next Session of the Parliament of Canada:

AND WHEREAS it is expedient to prepare for the transfer of the said Territories to the Government of Canada at the time appointed by the Queen for such admission:

AND WHEREAS it is expedient also to provide for the organization of part of the said Territories into a Province, and for the establishment of a Government therefor, and to make provision for the Civil Government of the remaining part of the said Territories, not included within the limits of Province:

Therefore Her Majesty, by and with the consent of the Senate and House of Commons of Canada, enacts as follows:

1. On from and after the day upon which the Queen, by and with the advice and consent of Her Majesty's Most Honourable Privy Council, under the authority of the 146th Section of the British North America Act, 1867, shall, by Order in Council in that behalf, admit Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, there shall be formed out of the same a Province, which shall be one of the Provinces of the Dominion of Canada, and which shall be called the Province of Manitoba, and be bounded as follows: that is to say, commencing at the point where the meridian of ninety-six degrees west longitude from Greenwich intersects the parallel of forty-nine degrees north latitude, thence due west along said parallel of forty-nine degrees north latitude (which forms a portion of the boundary line between the United States of America and the said North-Western Territory) to the meridian of ninety-nine degrees of west longitude, then due north along said meridian of ninety-nine degrees west longitude, to the intersection of the same with the parallel of fifty degrees and thirty minutes north latitude,—thence due east along said parallel of fifty degrees and thirty minutes north latitude, to its intersection with the before-mentioned meridian of ninety-six degrees west longitude,—thence due south along said meridian of ninety-six degrees west longitude to the place of beginning.

2. On from and after the said day on which the Order of the Queen in Council shall issue as aforesaid, the provisions of the British North America Act, 1867, shall, except those parts thereof which are in terms made, or, by reasonable intendment, may be held to be specially applicable to, or only to affect one or more, but not the whole of the Provinces now composing the Dominion, and except so far as the same may be varied by this Act, be applicable to the Province of Manitoba in the same way, and to the like extent as they apply to the several provinces of Canada and as if the Province of Manitoba had been one of the Provinces originally united by the said Act.

3. The said Province shall be represented in the Senate by two Members, until it shall have according to decennial census, a population of fifty thousand souls, and from thenceforth it shall be represented therein by three Members until it shall have, according to decennial census, a population of seventy-five thousand souls, and from thenceforth it shall be represented therein by four Members.

4. The said Province shall be represented in the first instance in the House of Commons by four Members, and for that purpose shall be divided by proclamation of the Governor-General, into four Electoral Districts, each of which shall be represented by one Member: Provided that, on the completion of the Census in the year 1881, and of each decennial Census afterwards, the representation of the said Province shall be re-adjusted according to the provisions of the fifty-first section of the British North America Act, 1867.

5. Until the Parliament of Canada otherwise provides, the qualification of voters at Elections of Members of the House of Commons shall be the same as for the Legislative Assembly here-

inafter mentioned: And no person shall be qualified to be elected or to sit and vote as a Member for any Electoral District unless he is a duly qualified voter within the said Province.

6. For the said Province there shall be an officer styled the Lieutenant-Governor, appointed by the Governor-General in Council by instrument under the Great Seal of Canada.

7. The Executive Council of the Province shall be composed of such persons, and under such designations, as the Lieutenant-Governor shall from time to time think fit, and in the first instance of not more than five persons.

8. Unless and until the Executive Government of the Province otherwise direct, the seat of Government of the same shall be at Fort Garry, or within one mile thereof.

9. There shall be a Legislature for the Province, consisting of the Lieutenant-Governor, and of two Houses styled respectively the Legislative Council of Manitoba, and the Legislative Assembly of Manitoba.

10. The Legislative Council shall in the first instance be composed of seven members, and after the expiration of four years from the time of the first appointment of such seven Members, may be increased to not more than twelve Members. Every Member of the Legislative Council shall be appointed by the Lieutenant-Governor in the Queen's name, by Instrument under the Great Seal of Manitoba, and shall hold office for the term of his life, unless and until the Legislature of Manitoba otherwise provides under the British North America Act, 1867.

11. The Lieutenant-Governor may from time to time, by Instrument under the Great Seal, appoint a Member of the Legislative Council to be Speaker thereof, and may remove him and appoint another in his stead.

12. Until the Legislature of the Province otherwise provides, the presence of a majority of the whole number of the Legislative Council, including the Speaker, shall be necessary to constitute a meeting for the exercise of its powers.

13. Questions arising in the Legislative Council shall be decided by a majority of voices, and the Speaker shall in all cases have a vote, and when the voices are equal the decision shall be deemed to be in the negative.

14. The Legislative Assembly shall be composed of twenty-four Members, to be elected to represent the Electoral Divisions into which the said Province may be divided by the Lieutenant-Governor as hereinafter mentioned.

15. The Lieutenant-Governor shall (within six months of the date of the Order of Her Majesty in Council, admitting Rupert's Land and the North-Western Territory into the Union), by Proclamation under the Great Seal, divide the said Province into twenty-four Electoral Divisions, due regard being had to existing Local Divisions and population.

16. Every male person shall be entitled to vote for a Member to serve in the Legislative Assembly for any Electoral Division, who is qualified as follows; that is to say, if he is:—

- (1.) Of the full age of twenty-one years, and not subject to any legal incapacity.
- (2.) A Subject of Her Majesty by birth or naturalization.
- (3.) And a *bonâ fide* householder within the Electoral Division at the date of the Writ of Election for the same, and has been a *bonâ fide* householder for one year next before the said date.

17. Every Legislative Assembly shall continue for four years from the date of the return of the writs for returning the same (subject nevertheless to being sooner dissolved by the Lieutenant-Governor), and no longer.

18. There shall be a Session of the Legislature once at least in every year, so that twelve months shall not intervene between the last sitting of the Legislature in one Session, and its first sitting in the next Session.

19. The following provisions of the British North America Act, 1867 respecting the House of Commons of Canada shall extend and apply to the Legislative Assembly, that is to say:—Provisions relating to the election of a Speaker, originally, and on vacancies—the duties of the Speaker,—the absence of the Speaker and the mode of voting, as if those Provisions were here re-enacted, and made applicable in terms to the Legislative Assembly.

20. In and for the Province the said Legislature may exclusively make laws in relation to education, subject and according to the following provisions.

- (1.) Nothing in any such Law shall prejudicially affect any right or privilege with respect to Denominational Schools which any class of persons have by Law or practice in the Province at the Union:—
- (2.) An appeal shall lie to Governor-General in Council from any Act or decision of the Legislature of the Province, or of any provincial authority affecting any right or privilege of the Protestant or Roman Catholic minority of the Queen's subjects in relation to education.
- (3.) In case any such Provincial Law as from time to time seems to the Governor-General in Council requisite for the due execution of the provisions of this Section is not made, or in case any decision of the Governor-General in Council on any appeal under this Section is not duly executed by the proper provincial authority in that behalf, then, and in every such case, and as far only as the circumstances of each case require, the Parliament of Canada may make remedial Laws for the due execution of the provisions of this Section, and of any decision of the Governor-General in Council under this Section.

21. Either the English or the French language may be used by any person, in the Debates of the Houses of the Legislature, and both those languages shall be used in the respective Records and Journals of those Houses, and either of those languages may be used by any person, or in any pleading or process in, or issuing from any Court of Canada established under the British North

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America Act, 1867, or in or from all or any of the Courts of the Province. The Acts of the Legislature shall be printed and published in both those languages.

[N.B.—The Clauses from 22 to 30, inclusive, are to be introduced by Resolution, and do not form part of this Bill.]

22. Inasmuch as the Province is not in debt, the said Province shall be entitled to be paid, and to receive from the Government of Canada, by half-yearly payments in advance, interest at the rate of five per centum per annum on the sum of four hundred and seventy-two thousand and ninety dollars.

23. The sum of thirty thousand dollars shall be paid yearly by Canada to the Province for the support of its Government and Legislature, and an annual grant in aid of the said Province shall be made, equal to eighty cents per head of the population, estimated at seventeen thousand souls; and such grant of eighty cents per head shall be augmented in proportion to the increase of population, as may be shown by the census that shall be taken thereof, in the year one thousand eight hundred and eighty-one, and by each subsequent decennial census, until its population amounts to four hundred thousand souls, at which amount such grant shall remain thereafter, and such sum shall be in full settlement of all future demands on Canada, and shall be paid half-yearly, in advance, to the said Province.

24. Canada will assume and defray the charges for the following services:—

1. Salary of the Lieutenant-Governor.
2. Salaries and allowances of the Judges of the Superior and District or County Courts.
3. Charges in respect of the Department of the Customs.
4. Postal Department.
5. Protection of Fisheries.
6. Militia.
7. Geological Survey.
8. The Penitentiary.

9. And such further charges as may be incident to, and connected with the services which by the British North America Act, 1867, appertain to the Government, and as are, or may be allowed to the other Provinces.

25. The Customs' duties now by law chargeable in Rupert's Land shall be continued without increase for the period of three years from and after the passing of this Act.

26. All ungranted or waste lands in the Province shall be, from and after the date of the said transfer, vested in the Crown, and administered by the Government of Canada for the purposes of the Dominion, subject to and except and so far as the same may be affected by the conditions and stipulations contained in the agreement for the surrender of Rupert's Land by the Hudson Bay Company to Her Majesty.

27. And whereas it is expedient towards the extinguishment of the Indian Title to the lands in the Province, to appropriate a portion of such ungranted lands to the extent of one million four hundred thousand acres thereof, for the benefit of the families of the half-breed residents, it is hereby enacted, that under regulations to be from time to time made by the Governor-General in Council, the Lieutenant-Governor shall select such lots or tracts in such parts of the Province as he may deem expedient, to the extent aforesaid, and divide the same among the children of the half-breed heads of families residing in the Province at the time of the said transfer to Canada, and the same shall be granted to the said children respectively, in such mode and on such conditions as to settlement and otherwise, as the Governor-General in Council may from time to time determine.

28. For the quieting of titles, and assuring to the settlers in the Province the peaceable possession of the lands now held by them, it is enacted as follows:—

1. All grants of land in freehold made by the Hudson Bay Company prior to the transfer to Canada, shall, if required by the owner, be confirmed by grant from the Crown.
2. All grants of estates less than freehold in land made by the Hudson's Bay Company prior to the transfer to Canada shall, if required by the owner, be converted into an estate in freehold by grant from the Crown.
3. All titles by occupancy with the sanction and under the license and authority of the Hudson's Bay Company prior to the transfer to Canada, of land in that part of the Province in which the Indian title has been extinguished, shall, if required by the owner, be converted into an estate in freehold by grant from the Crown.
4. All persons in peaceable possession of tracts of land at the time of the said transfer, in those parts of the Province in which the Indian Title has not been extinguished, shall have the right of pre-emption of the same, on such terms and conditions as may be determined by the Governor in Council.
5. The Lieutenant-Governor is hereby authorised, under regulations to be made from time to time by the Governor-General in Council, to make all such provisions for ascertaining and adjusting, on fair and equitable terms, the rights of common, and rights of cutting hay held and enjoyed by the settlers in the Province, and for the commutation of the same by grants of land from the Crown.

29. The Governor-General in Council shall from time to time settle and appoint the mode and form of Grants of Land from the Crown, and any Order in Council for that purpose when published in the 'Canada Gazette' shall have the same force and effect as if it were a portion of this Act.

30. Nothing in this Act shall in any way prejudice or affect the rights or properties of the Hudson's

Bay Company, as contained in the conditions under which that Company surrendered Rupert's Land to Her Majesty.

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31. And with respect to such portion of Rupert's Land and the North-Western Territory as is not included in the Province of Manitoba, it is hereby enacted, That the Lieutenant-Governor of the said Province shall be appointed, by Commission under the Great Seal of Canada, to be the Lieutenant-Governor of the same, under the name of the North-West Territories, and subject to the provisions of the Act in the next Section mentioned.

32. Except as hereinbefore is enacted and provided, the Act of the Parliament of Canada, passed in the now last Session thereof, and entitled, "An Act for the temporary Government of Rupert's Land and the North-Western Territory, when united with Canada," is hereby re-enacted, extended, and continued in force until the 1st day of January, 1871, and until the end of the Session of Parliament then next succeeding.

Enclosure 4 in No. 40.

Enclosure 4 in
No. 40.

TRANSLATION OF REPORT OF THE VERY REVEREND J. B. THIBAUT, G.V.

Dated St. Boniface, 17th March, 1870.

Which will be found printed as Enclosure 1 to Governor's Despatch, No. 85, of 25th April, 1870, page 124.

Enclosure 5 in No. 40.

Enclosure 5 in
No. 40.

REPORT of DONALD A. SMITH, Esq., North West Territories.

To the Hon. JOSEPH HOWE, Secretary of State for the Provinces.

SIR,

Ottawa, 12th April, 1870.

In pursuance of the commission confided to me by His Excellency the Governor-General, in relation to the affairs of the North-West Territories, I addressed you from time to time during my residence within Fort Garry, a correspondence carried on under very unfavourable circumstances, as will appear from the report I have now the honour to submit.

Leaving Ottawa on the 13th December last, I reached St. Cloud, the terminus of railway communication on the 17th, continuing on the same day by stage, and arriving at Abercrombie on the evening of the 19th. Here we had to abandon wheeled carriages, and, procuring a sleigh, after a couple of hours' rest, we resumed the journey, and on the afternoon of the 21st met Hon. Mr. McDougall and party about thirty miles beyond Georgetown. From him I learned how serious the aspect of affairs had latterly become at Red River; and, pushing on, we got to Pembina about 11 p.m. of the 24th, and to Fort Garry on the 27th.

The Gate of the Fort we found open, but guarded by several armed men, who, on my desiring to be shown to Governor McTavish's house, requested me to wait till they could communicate with their chief. In a short time Mr. Louis Riel appeared. I announced my name; he said he had heard of my arrival at Pembina, and was about to send off a party to bring me in. I then accompanied him to a room occupied by ten or a dozen men, whom he introduced to me as members of the "Provisional Government." He requested to know the purport of my visit, to which I replied in substance that I was connected with the Hudson Bay Company, but also held a commission from the Canadian Government to the people of Red River, and would be prepared to produce my credentials so soon as they, the people, were willing to receive me. I was then asked to take an oath not to attempt to leave the fort that night, nor to upset their government, legally established. This request I peremptorily refused to comply with, but said that, being very tired, I had no desire to go outside the gate that night, and promised to take no immediate steps forcibly to upset the so-called "Provisional Government," "legal or illegal, as it might be," without first announcing my intention to do so—Mr. Riel taking exception to the word illegal, while I insisted on retaining it. Mr. O'Donoghue, to get over the difficulty, remarked, "That is as he" (meaning myself) "understands it," to which I rejoined, "Precisely so." The above explanation, I am the more particular in giving, as it has been reported that I at once acknowledged the Provisional Government to be legal. Neither then nor afterwards did I do so.

I took up my quarters in one of the houses occupied by the Hudson Bay Company's officers, and from that date until towards the close of February, was virtually a prisoner within the Fort, although with permission to go outside the walls for exercise, accompanied by two armed guards, a privilege of which I never availed myself.

All my official papers had been left in charge of Mr. Provencher, at Pembina, as I had been warned that if found in my possession, they would unquestionably be seized, as were those brought into the Settlement shortly after by the Rev. Mr. Thiebault and Colonel De Salaberry.

The state of matters at this time, in and around Fort Garry, was most unsatisfactory, and truly humiliating. Upwards of sixty British subjects were held in close confinement as "political prisoners;" security for persons or property, there was none; the Fort, with its large supplies of ammunition, provisions, and stores of all kinds, was in the possession of a few hundred French half-breeds, whose leaders had declared their determination to use every effort for the purpose of annexing the Territory to the United States; and the Governor and Council of Assiniboine were powerless to enforce the law.

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On the 6th January, I saw Mr. Riel, and soon came to the conclusion that no good could arise from entering into any negotiations with his "Council," even were we to admit their authority, which I was not prepared to do.

We learnt that on the 13th, the Grand-Vicar Thiebault and Colonel De Salaberry appeared before the "President and Council of the People," when some explanations and compliments were exchanged, after which the Very Rev. gentleman and his associate were politely bowed out and lost sight of.

Meantime we had frequent visits in the Fort from some of the most influential and most reliable men in the Settlement, who gladly made known to the people generally, the liberal intentions of the Canadian Government, and in consequence one after another of Riel's councillors seceded from him, and being joined by their friends and by many of their compatriots and co-religionists who had throughout held aloof from the Insurgents, they determined no longer to submit to his dictation. This change evidently had a marked effect on Riel, causing him to alter his tactics and to profess a desire for an accommodation with Canada; accordingly, on the 14th January, he called on me, informed me that he had seen Messrs. Thiebault and De Salaberry, whose instructions did not authorise them to give assurances that the people would be secured in possession of their rights on entering into the Confederation, their errand being merely "to calm the French half-breeds." He then asked to see my Commission, and on my explaining that, owing entirely to the action taken by himself, it was not in my possession, in an excited yet faltering manner he said, "Yes, I know, 'tis a great pity; but how soon could you have it?" "Probably in five or six days," I replied. "That is too long, far too long," he responded, and then asked where the documents were deposited, requesting at the same time a written order for their delivery to his messenger. To this I would not accede, but on his assuring me that they would be delivered into my hands, and that I should be afforded an opportunity of communicating their contents to the people, I consented to send a friend for them. It was so decided, and immediately after the messenger had received his instructions from me, I was placed under strict arrest, a Captain's guard being assigned to me, whose instructions were, not to lose sight of me for one moment day or night, and to prevent me from communicating either verbally or in writing with any individual. I protested, saying, "am I to consider myself a prisoner?" He replied, "certainly not, I have the utmost confidence in your honour, but circumstances demand this." It was now about 10 o'clock, and my messenger having been marched out, I retired to bed, but only to be awakened 'twixt two and three o'clock in the morning of the 15th, by Mr. Riel, who, with a guard, stood by the bedside and again demanded a written order for the delivery of my Official Papers, which I again peremptorily refused to give.

The well affected French party became aware of what had happened, and not believing in Riel's good faith, determined to prevent the papers from falling into his hands. They got together some sixty or eighty men, who met my friend on his way back and were escorting him, when on the 18th, about 10 miles from the Fort, they were accosted by Riel and some of his party, and by the Reverend Mr. Ritchot. An altercation took place, Riel attempted to use his pistol, saying: "he would not be taken alive in his own country," on which a revolver was levelled at his head, and Mr. Ritchot having interposed, he was unceremoniously told to stand aside and "not to interfere any further with matters unconnected with his spiritual duties." It may be well to note that all those who took part in this affair were Catholics, and, with one or two exceptions, French Half-breeds. Nothing more serious happened at this time, and the party proceeded together to Fort Garry, where they arrived in the forenoon. A few minutes before they entered the house, the Very Rev. Mr. Thibault, Pere Lestanc, and Colonel De Salaberry, called upon me and, with the exception of my guard, they were the first individuals with whom I was permitted to converse since the 14th. They appeared to be much concerned, and said it was currently reported I had been endeavouring to incite the different parties to hostile collision. I repudiated any such charge; explained that I had acted wholly in the cause of peace and order, and with the desire of making the people, both French and English, fully acquainted with the liberal views of the Canadian Government, so that a peaceful transfer of the Territory might be effected, adding that I was pleased to think there was now every likelihood this would speedily be accomplished. In the meantime, the party in possession of my papers entered the adjoining room, on which Pere Lestanc joined them, while Messrs. Thibault and De Salaberry went outside. Immediately after they retired, Mr. Riel came to me, saying: "Your commission is here; but in the hands of men who had no right to have it." I expressed satisfaction that it had been brought in, and said, being now in possession of it, I must be relieved from all restraint, and be permitted freely to communicate with the people. He at once removed the guard, and we went up to the party who had just arrived. Messrs. Riel and O'Donoghue, with a few of their friends, were present, and vehemently protested against the action now being taken, while the ex-councillors accused them of treason to the Imperial Crown, and of using every effort to bring about the annexation of the Country to the United States. Riel replied "that was only supposing the people desired it, but that he was willing the question should be submitted to them." Pere Lestanc spoke warmly in favour of the "President," who, he said, had acted so as to merit the gratitude of his countrymen, and begged them still to place confidence in him. This evidently had no effect, and ultimately, after a good deal of recrimination, it was arranged that a meeting of the inhabitants from all parts of the Settlement should be called for the morrow, the 19th, at which the papers bearing on the subject should be read, a guard of forty men remaining in the house to ensure the safe-keeping of the documents.

Riel's men were now falling away from him, while the loyal party expressed their determination no longer to be guided in the matter either by him or by Pere Lestanc and his associates. They were full of hope, and confident that the following day would bring with it complete success to the cause of Canada.

Late that night Pere Lestanc paid them another visit, which was prolonged for several hours beyond midnight, and next morning it was found that a majority of those who had seceded from Riel were again on friendly terms with him.

The hour for the meeting having arrived, upwards of a thousand people attended, and deeming it of great importance that the explanations to be made on behalf of the Canadian Government should be faithfully rendered to the French-speaking portion of the Settlers, whose leaders had studiously withheld from them all knowledge of the true state of matters in connection with the proposed transfer of the country, I requested Colonel de Salaberry to act as interpreter, but the Colonel, diffident of his own ability as a translator, proposed Mr. Riel as interpreter, and the latter was appointed accordingly.

At this meeting, and that held the following day, the reading of the Commission, the Queen's Letter, and every other document was contested with much obstinacy, but ultimately carried; and threats were used to myself in the presence and hearing of the Chairman, of the Secretary, Judge Black, and others, more especially by Mr. Riel and Rev. Mr. Lestanc. At the commencement of the meeting I requested the Chairman and those near him to begin by insisting that all arms should be laid down, and that the flag then flying (fleur-de-lis and shamrocks) should be replaced by the British ensign; this, they thought, would come better at an after-stage; but the opportunity of doing so, now lost, never recurred.

As is generally known, the result of the meeting was the appointment of forty delegates, twenty from either side, to meet on 25th January, "with the object of considering the subject of Mr. Smith's Commission, and to decide what would be the best for the welfare of the country," the English as a body, and a large number of the French, declaring their entire satisfaction with the explanations given, and their earnest desire for union with Canada.

On the 22nd, Riel had several conferences with the well-affected French within the Fort: he was melted even to tears, told them how earnestly he desired an arrangement with Canada, and assured them that he would lay down his authority immediately on the meeting of the Convention. They believed him sincere, and, although I considered that their guard in the Fort should not be decreased, they held that ten men would be amply sufficient to leave while they went to secure their elections; the consequence was that they had hardly gone when repressive measures were resorted to, and the Hudson Bay Company's stores, which had hitherto been only partially in their hands, were now taken complete possession of by Riel.

Efforts were made to have the prisoners released, but without effect.

The Delegates met on the 25th, and continued in session till the 10th February. On the 26th, I handed to their Chairman, Judge Black, the documents read at the meetings of the 19th and 20th January, and on the 27th, attended the Convention by appointment. I was received with much cordiality by all the Delegates, explained to them the views of the Canadian Government, and gave assurances that on entering confederation, they would be secured in the possession of all rights, privileges, and immunities enjoyed by British subjects in other parts of the Dominion; but, on being requested by Mr. Riel to give an opinion regarding a certain "list of rights," prepared by his party in December last, I declined to do so, thinking it better that the present Convention should place in my hands a paper, stating their wishes to which I should "be happy to give such answers as I believed would be in accordance with the views of the Canadian Government." The Convention then set about the task of preparing a "list of rights," embodying the conditions on which they would be willing to enter the confederation. While the discussion regarding this list was going on, Mr. Riel called on me, and asked if the Canadian Government would consent to receive them as a Province—my reply was, that I could not speak with any degree of certainty on the subject, as it had not been referred to when I was at Ottawa, the intention then being that the North-West should, in the first instance, be incorporated under the Dominion as a Territory; but I added, that no doubt it would become a Province within two or three years. On this Mr. Riel, with much emphasis, exclaimed "then the Hudson Bay Company is not safe yet," to which I answered "Mr. Riel, that cannot influence me in the slightest degree, and I am quite prepared to act as may be required of me in my capacity as Canadian Commissioner." This was on the evening of the 3rd February. On the following day the proposition to enter as a Province was negatived by the Convention, and on the 5th, another motion directed against the Hudson Bay Company, also failed; the language used by Mr. Riel on the latter occasion having been violent in the extreme. The same evening, Riel proceeded to Governor McTavish, who had been dangerously ill for many weeks back, and was then barely able to sit up, placed a guard over him, and heaping reproaches and insult on him, declared that he would have him shot before midnight. Riel then sought out Dr. Cowan, the officer in immediate charge of Red River District, upbraided him for his persistent opposition to "the people," the insurgents, and declaring that his name would go down with infamy to posterity for the part he had taken, demanded that he would immediately swear allegiance to the Provisional Government, or prepare for death within three hours, giving him a quarter of an hour for consideration. The Doctor immediately replied, that he knew no legal authority in the country, but that of Great Britain, to which his allegiance was due and that he would not take the oath required of him. He was then seized and put in confinement along with the prisoners taken in December last. I was also put under strict guard, but not removed from the house.

Notwithstanding this, and the painful doubt created in the minds of the English members of the Convention as to the Course they should pursue after these arrests, the Delegates again met on the 7th. On the 5th, they had resolved to place in my hands the List of Rights they had drawn up, which was done at 11 o'clock on the 7th, with an intimation that the Convention would be glad to meet me at 1 o'clock p.m., the intervening two hours being allowed me to frame my answers. In drawing up these, I was allowed no reference to any document either written or printed, except the "List of Rights," and a guard stood over me to see that I should write nothing else than that to be presented to the Convention. I had just finished writing when Mr. Riel and his "Adjutant-General" Lepine, who was also a member of the Convention, came in, and Riel, looking at the latter in a significant manner, said, "the answers to the List of Rights must be simply yes or no." On this I remarked that I thought otherwise, and would act as circumstances might appear to me to require. I then retired, and on returning to the room a few minutes later, found there Mr. Riel, the Rev. Mr. Thibault,

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and Colonel De Salaberry. We proceeded together to the Convention, and, in course of conversation, Colonel De Salaberry said he would gladly have come to see me before, but could not, as he "had been a prisoner throughout."

The proceedings of the Convention as reported in the 'New Nation' newspaper, of the 11th and 18th February, copies of which I have had the honour of addressing to you, are sufficiently exact, and render it unnecessary for me here to enter into details. Suffice it to say that a large majority of the delegates expressed entire satisfaction with the answers to their "List of Rights," and professed confidence in the Canadian Government, to which I invited them to send delegates, with the view of effecting a speedy transfer of the Territory to the Dominion, an invitation received with acclamation and unanimously accepted, as will appear by resolution hereto annexed, along with the List of Rights and my answer to the same. The delegates named were John Black, Esq., Recorder, the Rev. Mr. Ritchot, and Mr. Alfred H. Scott. A good deal of opposition having been offered to the election of the last named of the three.

The proceedings of the Convention came to a close on the 10th February, by the nomination of a Provincial Government, in the formation of which several delegates declined to take any part. Governor Mactavish, Dr. Cowan, and two or three other persons, were then released and the Hudson Bay Company Officers again allowed to come and go at pleasure, but I was still confined to the Fort: Riel, as he expressly stated to Judge Black, being apprehensive of my influence with the people in the approaching election.

Riel promised that all the prisoners should soon be released. On the 11th and 12th six or eight of them were set at liberty, and Dr. Cowan was informed in my presence, that as they were all to be discharged without delay, the rooms they had occupied would be placed at his disposal in a day or two; Riel remarking at the same time that he would have them thoroughly cleaned out.

Rumours now began to circulate of a rising at the Portage, and on the night of the 14th and 15th of February, some 80 or 100 men from that district passed down close to Fort Garry, and proceeded to Kildonan, where they were joined by from 300 to 350 men, principally English half-breeds, from the lower parts of the Settlement. Had these men, properly armed and organized, been prepared to support the well affected French party, when the latter took action, about the middle of January, or even in the beginning of February, during the sitting of the Convention, order might have been restored and the transfer to Canada provided for without the necessity for firing a single shot; but now the rising was not only rash, but purposeless, as, without its intervention, the prisoners would unquestionably have been released. The party was entirely un-organized, indifferently armed, unprovided with food even for one meal, and wholly incapable of coping with the French now re-united, who, to the number of at least seven hundred were prepared to offer the most determined resistance, which, as they were in possession of a number of guns (six and three pounders), ample stores of ammunition, provisions, and every other requisite, they could have done most effectually. My sympathies were, in a great measure, with the Portage men, whom I believe to have been actuated by the best of motives; but under the circumstances it was not difficult to foresee that the issue could not be otherwise than disastrous to their cause. The attempt was, therefore, to be deplored, as it resulted in placing the whole Settlement at the feet of Riel. The great majority of the settlers, English and Scotch, discountenanced the movement and bitterly complained of those who had set it on foot. Forty-seven of the party were captured on their way home, while passing within a few hundred yards of the Fort; the explanation I have heard given for their otherwise inexplicable conduct in having taken this route, instead of making a *detour* which would have ensured safety, being a supposed promise by Riel that they would be permitted to pass unmolested. Their messenger, a young man named McLean, on being questioned by Archdeacon McLean and myself in presence of the Rev. Mr. Gardner and one or two other gentlemen, admitted that Riel, on being asked "if the party would be permitted to pass," was silent, and only, on being informed that they intended next day to use the route just outside the town, remarked "ah! that is good," and for his purpose it no doubt was so. Captain Bolton led the party, and he and his friends at the Portage assured me that he exerted himself to the utmost to keep them from rising, and only joined them at the last moment when he saw they were determined to go forward. He was captured on the 17th, tried by "Court-martial," and condemned to be shot at noon on the following day, but at the intercession of the Lord Bishop of Rupert's Land, Archdeacon McLean, and, in short, every influential man amongst the English, and I have been told also, at the earnest entreaty of the Catholic Clergy, the execution was delayed till midnight of Saturday, the 19th. Further than this, Riel declared he could not, would not, yield, except, indeed, Dr. Schultz should be captured in the meantime, in which case *he* would be shot instead of Bolton. Archdeacon McLean had been in close attendance on Captain Bolton for twenty-four hours, had administered to him the sacrament, received his last commands, and had promised to be present with him at the last moment, and when I met the Archdeacon on my way to see Riel, about 8 o'clock on the evening of the 19th, he was deeply affected, and had given up all hope. I found with Riel, Mr. H. N. Robinson, of 'The Nation' newspaper, and shortly afterwards Mr. James Ross, "Chief Justice," entered, followed in a few minutes by Mr. Bannatyne, Postmaster, who had been ordered to bring the key of the mail-bag, which Riel opened, and examining the letters perused and retained one or more. Mr. Ross pleaded for Bolton, but was repulsed in the most contemptuous manner. I had already been speaking to Riel on the subject when interrupted by Mr. Ross's entrance, and now resumed the conversation. Riel was obdurate and said that the English settlers and 'Canadians, but more especially the latter, had laughed at and despised the French half-breeds, believing that they would not dare to take the life of any one, and that, under these circumstances, it would be impossible to have peace and establish order in the country; an example must therefore be made, and he had firmly resolved that Bolton's execution should be carried out, bitterly as he deplored the necessity for doing so. I reasoned with him long and earnestly, until at length, about 10 o'clock, he yielded, and addressing me, apparently with much feeling, said "hitherto I have been deaf to all entreaties, and, in now granting you this man's life, or words to that effect, "may I ask you a favour?" "Anything," I

replied, "that in honour I can do." He continued, "Canada has disunited us, will you use your influence to re-unite us? You can do so, and without this it must be war—bloody civil war!" I answered, that as I had said on first coming to the country I would now repeat, that "I would give my whole heart to effect a peaceable union of the country with Canada." "We want only our just rights as British subjects," he said, "and we want the English to join us simply to obtain these." "Then," I remarked, "I shall at once see them and induce them to go on with the election of delegates for that purpose;" and he replied, "if you can do this, war will be avoided, not only the lives but the liberty of all the prisoners will be secured, for on your success depend the lives of all the Canadians in the country." He immediately proceeded to the prison, and intimated to Archdeacon McLean that he had been induced by me to spare Captain Bolton's life, and had further promised to me that immediately on the meeting of the Council shortly to be elected, the whole of the prisoners would be released, requesting the Archdeacon, at the same time, to explain these circumstances to Captain Bolton and the other prisoners.

The moment was a fearful one for the Settlement: every man's life was in the hands of Riel and fully appreciating the significance of this, the Bishop of Rupert's Land and the Protestant clergy generally, now earnestly counselled the people to elect their delegates without loss of time as by this means they might to some extent control the course of events, while otherwise they were utterly powerless. I entirely concurred in this view of the case, and Archdeacon McLean having kindly offered to accompany me, we visited the different parts of the Settlement, and found that in several parishes, the people, and those the most loyal to the British Crown and most desirous for union with Canada, had already chosen their Councillors. I explained to all, that the Council was to be Provisional, in the strictest sense of the word, intended expressly for effecting the transference of the country to Canada, and for ensuring safety of life and property in the meantime. In some instances, I found they had drawn up petitions to Mr. Riel as "President" expressing submission, &c., these I requested them to destroy, advising that nothing more should be done than under the circumstances was absolutely necessary, namely, that having made their election, you should simply intimate the fact in formal terms to Mr. Bunn, who had been named Secretary of the Council, and not to Mr. Riel. The elections in the English parishes having taken place on the 26th February I again saw Riel, who re-assured me, that all the prisoners would be released within a day or two after the first meeting of the Council. On the 28th, he again sent for me and in presence of Mr. Fraser, delegate from the Scotch Parish, Kildonan, repeated his promise that the lives of the prisoners were secured, and that their release would shortly follow.

I had no further communication with Riel until Monday, the 4th March, when, about 10 o'clock in the morning, Pere Lestanc called on me. He informed me of Bishop Taché's expected arrival, not later certainly than the 8th, and probably some days earlier, adding that his Lordship had telegraphed to request that, if about to leave for Canada, I should defer my departure till he could communicate personally with me. He then said that the conduct of the prisoners was very unsatisfactory, that they were very unruly, insolent to the "soldiers," and their behaviour altogether so very bad, that he was afraid the guards might be forced to retaliate in self-defence. I expressed much surprise at the information he gave, as the prisoners, without exception, had promised to Archdeacon McLean and myself, that seeing their helpless condition, they would endeavour to act so as to avoid giving offence to their guards, and we encouraged them to look forward to being speedily released in fulfilment of the promise made by Mr. Riel. One man, Parker, was mentioned as having made himself particularly obnoxious by his violent conduct, but not one word was said on this occasion regarding Scott, or the slightest intimation given, that he or any other person had been condemned to be shot. About 11 o'clock Pere Lestanc left me and went up stairs to communicate to Governor McTavish, as he said, "the good news that Bishop Taché was expected so soon." The Rev. Mr. Young, Methodist clergyman, had just entered the house, and meeting the Père in the hall, conversed with him a few minutes. Mr. Young then came up to me, and from him I had the first intimation that it was intended to shoot Thomas Scott, and that the sentence was to be carried into effect at 12 o'clock, noon, that day. We agreed in believing that the thing was too monstrous to be possible, and Mr. Young mentioned that poor Scott himself was equally incredulous on the subject, thinking they merely intended to frighten him. However, even to keep him in suspense was of itself a horrible cruelty, and it was arranged that as Mr. Young had been sent for to attend the man, he should see Riel, ascertain exactly how the matter stood, and, if really serious, to let me know at once. Mr. Young accordingly called on Riel, was informed that Scott had been condemned, that the sentence was irrevocable, and would not be delayed one minute beyond noon. Mr. Young begged for delay, saying "the man is not prepared to die," but all without avail. He was paralyzed with horror, returned to the prisoner, and immediately sent a messenger to inform me of the result of his visit. I determined to find out Riel immediately, but recollecting that Père Lestanc was still up stairs with Mr. McTavish, went to him, related what I had heard, and asked him if he knew anything about the matter. His answer I cannot give in precise words, but it was to the effect that they had seen Mr. Riel on the other side (St. Boniface), and had all spoken to him about it, by which I understood that *they* had interceded for Scott. Governor McTavish was greatly shocked on being informed of Riel's purpose, and joined in reprobating it. Père Lestanc consented to accompany me, and we called on Riel. When we entered, he asked me, "what news from Canada." The mail had arrived the preceding day, and I replied, "only the intelligence that Bishop Taché will be here very soon." I then mentioned what I had heard regarding Scott, and before Riel answered, Père Lestanc interposed in French words, meaning "is there no way of escape?" Riel replied to him, "my Rev. Père, you know exactly how the matter stands," then turning to me, he said, I will explain to you, speaking at first in English, but shortly after using the French, remarking to me, "you understand that language." He said in substance that Scott had throughout been a most troublesome character, had been the ringleader in a rising against Mr. Snow, who had charge of the party employed by the Canadian Government during the preceding summer in road making; that he had risen against the "Provisional Government"

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in December last, that his life was then spared; that he escaped, had again been taken in arms, and once more pardoned,—referring, no doubt, to the promise he had made to me that the lives and liberty of all the prisoners were secured—but that he was incorrigible, and quite incapable of appreciating the clemency with which he had been treated; that he was rough and abusive to the guards, and insulting to him, Mr. Riel; that his example had been productive of the very worst effects on the other prisoners, who had become subordinate to such an extent, that it was difficult to withhold the guards from retaliating. He further said, “I sat down with Scott, as we are doing now, and ask him truthfully to tell me, as I would not use his statement against him, what he and the Portage party intended to have done with me, had they succeeded in capturing me, when they surrounded Coertu’s house,” to which he replied, “We intended to keep you as a hostage for the safety of the prisoners.” I argued with Riel, and endeavoured to show that some of the circumstances he had mentioned, and especially the last, were very strong reasons to urge why Scott’s life should not be sacrificed, and that if, as he represented, Scott was a rash, thoughtless man, whom none cared to have anything to do with; no evil need be apprehended from his example. I pointed out that the one great merit claimed for the insurrection was that, so far, it had been bloodless, except in one sad instance, which all were willing to look upon as an accident, and implored him not now to stain it to burden it with what would be considered a horrible crime. He exclaimed, “We must make Canada respect us. I replied, “She has every proper respect for the people of Red River, and this is shewn in her having sent Commissioners to treat with them.” I told him I had seen the prisoners some time back, when they commissioned me to say to their friends at the Portage, that they desired peace, and I offered to go to them again and reason with them, should that be necessary. On this, he said, “Look here, Mr. Smith, Mr. Scott, the Representative, went to see the prisoners at my desire, and on asking them whom they would vote for as Councillor, if they were permitted a choice outside of their own body? Thomas Scott came forward and said, “My boys, have nothing to do with those ——— Americans.” And when I remarked, “This is really a most trifling affair, and ought not to have been repeated,” he said, “do not attempt to prejudice us against the Americans, for, although we have not been with them—they are with us, and have been better friends to us than the Canadians.” Much more was said on both sides, but argument, entreaty, and protest alike failed to draw him from his purpose, and he closed by saying, “I have done three good things since I have commenced, I have spared Bolton’s life at your instance, and I do not regret it, for he is a fine fellow, I pardoned Gaddy, and he showed his gratitude by escaping out of the bastion, but I don’t grudge him his miserable life, and now I shall shoot Scott.” Lépine, the Adjutant-General, who was President of the Council of Seven, which tried Scott,—and five of whom, Riel told me, “With tears streaming from their eyes, condemned him as worthy of death,” a sentence which he had confirmed—now entered, and in answer to Riel, said “he must die.” Riel then requested The Rev. Père Lestanc to put the people on their knees for prayer, as it might do good to the condemned man’s soul. Referring to Père Lestanc, and making a final appeal (unnecessary here to repeat) I retired. It was now within a few minutes of one o’clock, and on entering the Governor’s house the Rev. Mr. Young joined me, and said, “It is now considerably past the hour, I trust you have succeeded.” “No,” I said, “for God’s sake go back at once to the poor man, for I fear the worst.” He left immediately, and a few minutes after he entered the room in which the prisoner was confined, some guards marched in and told Scott his hour was come. Not until then did the reality of his position flash upon poor Scott, he said good-bye to the other prisoners, was led outside the gate of the Fort, with a white handkerchief covering his head, his coffin, having a piece of white cotton thrown over it, was carried out; his eyes were bandaged; he continued in prayer, in which he had been engaged on the way for a few minutes; he asked Mr. Young how he should place himself, whether standing or kneeling, then knelt in the snow, said farewell, and immediately after fell back pierced by three bullets, which passed through his body. The firing party consisted of six men, all of whom it is said were more or less intoxicated. It has been further stated that only three of the muskets were loaded with ball cartridge, and that one man did not discharge his piece. Mr. Young turned aside when the first shots were fired, then went back to the body and again retired for a moment while a man discharged his revolver at the sufferer, the ball, it is said, entering the eye and passing round the head.

The wounded man groaned between the time of receiving the musket shots and the discharge of the revolvers. Mr. Young asked to have the remains for interment in the burying ground of the Presbyterian church, but this was not acceded to, and a similar request preferred by the Bishop of Rupert’s Land was also refused. He was buried within the walls of the fort. On descending the steps leading from the prison, poor Scott, addressing Mr. Young, said, “This is a cold blooded murder,” then engaged in prayer, and was so occupied until he was shot.

After this date I held no communication whatsoever with Riel, except in reference to getting away from the country, which I was not allowed to leave without a pass. I felt that under the circumstances it was not desirable I should remain longer at Red River, but it was not until late in the night of the 18th inst. Riel gave permission for my departure.

Although not accomplishing all that could have been desired, the mission to Red River, as I shall endeavour to show in a few words, has been productive of some good, and that it was not entirely successful, may fairly be attributed to the circumstances above referred to in connection with the action taken and meetings held in January last. Success, although in a lesser degree, might also have been gained at a later period but for the rising in February, which, though rash and productive of results the most unfortunate, I can hardly blame, knowing, as already stated, that those who took part in it were actuated and impelled by generous motives.

On reaching Red River in December last, I found the English-speaking portion of the inhabitants

greatly divided in opinion as to the comparative advantages of union with Canada and the formation of a Crown colony, while a few, a very small number, favoured annexation to the United States. The explanations offered on the part of Canada they received as satisfactory, and, with hardly a dissentient voice, they would now vote for the immediate transfer to the Dominion. They earnestly requested me to assure His Excellency the Governor-General of their warm loyalty to the British Crown.

The case is different as regards the French half-breeds. A not inconsiderable number of them remained true to their allegiance during all the troubles through which they have had to pass, and with these will now be found associated many others whose minds had for a time been poisoned by gross misrepresentations made by designing men for their own selfish ends. A knowledge of the true state of the case, and of the advantages they would derive from union with Canada, had been carefully kept from them, and they were told to judge of Canadians generally, by the acts and bearing of some of the less reflective immigrants, who had denounced them as "cumberers of the ground," who must speedily make way for the "superior race" about to pour in upon them.

It is also too true that in the unauthorized proceedings of some of the recent Canadian arrivals, some plausible ground has been given for the feeling of jealousy and alarm with which the contemplated change of Government was regarded by the native population. In various localities these adventurers had been industriously marking off for themselves considerable, and in some cases very extensive and exceptionally valuable tracts of land, thereby impressing the minds of the people with the belief that the time had come when, in their own country, they were to be entirely supplanted by the stranger, a belief, however, which I have no doubt, might have been completely precluded by the prevention of all such operations, until Canada had fully unfolded her policy and shown the groundlessness of these fears.

Let us further bear in mind that many of the Catholic clergy in the country are not French Canadians but Frenchmen, and consequently, it may be presumed, not very conversant with British laws and institutions, and with the liberty and privileges enjoyed under them. Warmly attached to their flocks, they deemed it necessary to exact some guarantee that in their new political condition, they would not be treated with injustice. It is unnecessary here to point out how the breach widened until at length it attained a magnitude and significance little dreamt of in the commencement, even by those who joined most heartily in the movement. It is far more pleasing to be able to state, which I do with much confidence, that a large majority of the French party have no misgivings as to union with Canada, and that joined by and under the guidance of His Lordship, Bishop Taché, and other members of the clergy who enjoy their confidence, they will very shortly prove themselves to be staunch supporters of the Dominion, firm in their allegiance to England.

In course of the insurrection one deplorable crime and many grossly illegal acts have unquestionably been committed, but it would be alike impolitic and unjust to charge them on the French population generally.

Much obloquy has been heaped on the Hudson's Bay Company and their Governor and officers in the North-west, which I consider it quite unnecessary, at this moment, even to attempt to answer or refute, although, not doubting that both could be readily and satisfactorily done. Errors, many and grave, have, it cannot be denied, been committed on all sides, but wilful and intentional neglect of duty, cannot, I feel convinced, be laid to the charge, either of the Hudson's Bay Company, or their representatives in the country. Personally, I have been entirely unconnected with the administration of affairs in that department.

I would respectfully submit, that it is of the utmost importance, there should be a strong military force in the North-west as early as practicable. The minds of the Indians, especially the tribes in the Saskatchewan Country have been so perplexed and confused, by the occurrences of the past six months, that it would be very unsafe to trust to their forbearance; and indeed, until the question of Indian claims has been finally settled, it would not, in my opinion, be prudent to leave the country unprotected by military. The adjustment of those claims will require early attention, and some memoranda and evidence in my hands on the subject, I shall, if desired, be prepared to lay before the Government.

I have, &c.,
DON. A. SMITH.

APPENDIX.

"LIST OF RIGHTS."

"1. That in view of the present exceptional position of the North-West, duties upon goods imported into the country shall continue as at present (except in the case of spirituous liquors) for three years, and for such further time as may elapse until there be uninterrupted railroad communication between Red River Settlement and St. Paul, and also steam communication between Red River Settlement and Lake Superior.

"2. As long as this country remains a Territory in the Dominion of Canada, there shall be no direct taxation except such as may be imposed by the Local Legislature for Municipal or other Local purposes.

"3. During the time this country remains a Territory in the Dominion of Canada all military, civil, and other public expenses in connection with the general government of the country,—or that have

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"hitherto been borne by the public funds of the Settlement beyond the receipt of the above mentioned duties, shall be met by the Dominion of Canada.

"4. That while the burden of public expense in this country is borne by Canada, the country be governed under a Lieutenant-Governor from Canada, and a Legislature, three members of whom being heads of departments of the Government, shall be nominated by the Governor-General of Canada.

"5. That, after the expiration of this exceptional period, the country shall be governed, as regards its local affairs, as the Provinces of Ontario and Quebec are now governed, by a Legislature elected by the people, and a Ministry responsible to it, under a Lieutenant-Governor appointed by the Governor-General of Canada.

"6. That there shall be no interference by the Dominion Parliament in the Local affairs of this Territory other than is allowed in any of the Provinces in the Confederation; and that this Territory shall have and enjoy in all respects, the same privileges, advantages, and aids in meeting the public expenses of this Territory as the Confederated Provinces have and enjoy.

"7. That while the North-West remains a Territory the Legislature have a right to pass all laws local to the Territory, over the veto of the Lieutenant-Governor, by a two-third vote.

"8. A Homestead and Pre-emption Law.

"9. That while the North-West remains a Territory, the sum of 25,000 dols. (twenty-five thousand dollars) a year be appropriated for schools, roads, and bridges.

"10. That all public buildings be at the cost of the Dominion Treasury.

"11. That there shall be guaranteed uninterrupted steam communication to Lake Superior within five years, and also the establishment by rail of a connection with the American railway as soon as it reaches the International line.

"12. That the English and French languages be common in the Legislature and Courts, and that all public documents and Acts of the Legislature be published in both languages.

"13. That the Judge of the Supreme Court speak the French and English languages.

"14. That treaties be concluded between the Dominion and the several Indian tribes of the country, as soon as possible.

"15. That until the population of the country entitles us to more, we have four representatives in the Canadian Parliament—one in the Senate, and three in the Legislative Assembly.

"16. That all properties, rights, and privileges, as hitherto enjoyed by us, be respected; and the recognition and arrangement of local customs, usages and privileges, be made under the control of the Local Legislature.

"17. That the Local Legislature of this Territory have full control of all the public land inside a circumference, having Upper Fort Garry as the centre, and that the radii of this circumference be the number of miles that the American line is distant from Fort Garry.

"18. That every man in this country (except uncivilized and unsettled Indians) who has attained the age of twenty-one years, and every British subject, a stranger to this Territory, who has resided three years in the country, and is a householder, shall have a right to vote at the election of a member to serve in the Legislature of the country and in the Dominion Parliament; and every foreign subject, other than a British subject, who has resided the same length of time in the country, and is a householder, shall have the same right to vote, on condition of his taking the oath of allegiance—it being understood that this article be subject to amendment exclusively by the Local Legislature.

"19. That the North-West Territory shall never be held liable for any portion of the 300,000Z. paid to the Hudson Bay Company, or for any portion of the public debt of Canada, as it stands at the time of our entering the Confederation; and if, thereafter, we be called upon to assume our share of the said public debt, we consent only on condition that we first be allowed the amount for which we shall be held liable."

The foregoing document was put into my hands at 11 A. M., 7th February, and I was invited to meet the Delegates at 1 P. M., the same day, which I did, and then, as Canadian Commissioner, replied as follows:—

"1. With regard to the first Article, the Convention has already had a communication to the effect that the Dominion Government had provided by Order in Council for the continuance of the present tariff of duties in the Territory for at least two years; and I feel convinced that the Government will be prepared to recommend to Parliament such measures as will meet the views of the Convention, as expressed in this Article.

"2nd and 3rd. I believe the Canadian Government will ask the Dominion Parliament to meet the views of the Convention and their Constituents in respect to these Articles.

"4th. The Canadian Government assured me of their desire to consult the wishes of the people of the Territory in respect to matters connected with the Composition of the Local Legislature, and of their intention to select at least two-thirds of the Council from among the residents. This Council would have reported as to the best mode of proceeding in introducing the elective principle, and Parliament would then have been asked to pass an Act on the subject, the Government having no power to settle such a matter without an Act. Bearing this in mind, I do not hesitate to give it as my opinion that the Dominion Government will ask Parliament to provide a liberal Government for the country while it remains a Territory.

"5th. I have the most explicit assurance from the Canadian Government—that such will be the case.

"6th. For this the Dominion Government will provide in a liberal spirit.

"7th. This Article brings up some constitutional considerations, with which it would be presumption on my part, were I to deal summarily. But, I will repeat most distinctly that the Dominion Govern-

"ment will pay the utmost deference to the wishes of the Convention, as regards this and all other matters in connection with the Government of the country, and I have full confidence that the decision arrived at will be acceptable to the people.

"8th. I have been instructed by the Canadian Government—to make known to the people of the Settlement—that all property held by residents in peaceable possession will be secured to them; and that a most liberal land policy in regard to the future Settlement of the country will be adopted,—every privilege in this respect enjoyed in Ontario or Quebec, being extended to the Territory.

"9th. I feel certain that an amount even exceeding that here mentioned, will be appropriated for the purposes referred to.

"10th. I can safely promise that the Dominion Government will defray the cost of all the public buildings required for the general business of the Territory.

"11th. I do not hesitate to give this assurance, as the works on the Lake Superior route, which have been progressing actively since the early part of last summer, will doubtless be completed much within the time specified. As to the railway to Pembina, shortly after the American line reaches that point, it will certainly be carried out.

"12th. This will unquestionably be provided for.

"13th. The answer given to No. 12, will apply equally here.

"14th. Fully alive to the necessity of this, the Dominion Parliament will not fail to take an early opportunity of dealing with the matter, in order to extinguish in an equitable manner the claims of the Indians, so that settlers may obtain clear and indisputable titles.

"15th. The Convention will not expect me to speak definitely as to the number of representatives to be allotted to the Territory, but I can promise that the circumstances and requirements of the country will be fully and liberally considered in dealing with this matter.

"16th. On the part of the Canadian Government, as well as of Her Majesty's Representative in British North America, and also as coming immediately from the Sovereign, assurances have been given to all that the properties, rights, and privileges hitherto enjoyed by the people of the Territory would be respected, and I feel sure that the Dominion Government will confide to the Local Legislature the recognition and arrangement of local customs, usages, and privileges.

"17th. My knowledge of the country, and of the extent to which the concession here desired might affect public works, &c., is too limited to permit me to give any decided opinion on the subject, further than that full and substantial justice will be done in the matter.

"18th. Without entering into the details of the Article, I would say that the franchise will be so adjusted as to be satisfactory to the public, both native and immigrant, and in a manner conducive to the general welfare.

"19th. My belief is, that the Canadian Government has no intention of imposing on the North-West Territory the payment of any portion of the 300,000*l.*, and I have much confidence that they will be so actuated, in every respect, by wise and just motives; that in arranging for the distribution of the public debt of Canada, the North-West Territory will not be held liable for anything it ought not to bear; in short, that here, as in every other particular, substantial justice will be done.

"Having gone through the Articles, I would beg to say that, although authorized as Commissioner to act generally, as might appear best in the state of affairs here, it was thought probable some points might arise with which I could not deal personally, and to meet this I was instructed by the Dominion Government to invite a delegation of two or more of the residents of Red River to meet and confer with them at Ottawa. This I now do, and on the part of the Government promise that the gentlemen sent to Canada will be cordially received."

The invitation to send delegates to Canada was unanimously accepted by the Convention, and the following resolution was handed to me on the 8th February.

"Fort Garry, Court-House, 8th February, 1870.

"Resolved unanimously,—that as the Canadian Commissioners have invited a delegation from this country to Canada, to confer with the Canadian Government as to the affairs of this country; and as a cordial reception has been promised to said delegates, be it therefore resolved that the invitation be accepted, and that the same be signified to the Commissioners.

"By order.

"The Hon. JOSEPH HOWE,
"Secretary of State for
"the Provinces, Ottawa."

"(Signed) "W. COLDWELL.
"LAU. SCHMIDT.
"Secretaries to the Convention.

Enclosure 6 in No. 40.

Enclosure 5 in
No. 40.

RIEL'S PROCLAMATION.

A special to the 'Toronto Telegraph,' from St. Paul, Minn., April 21st, says a prominent St. Paul, and Red River trader has just arrived from Fort Garry, which he left on the 10th inst. When he left Georgetown no mail had arrived at or left there for fifteen days, owing to the flood. He reports that on the arrival of Bishop Taché at Fort Garry he enlightened the people as to the intentions of Canada, and they now have a much better understanding of the transfer of the Territory. Bishop Taché was endeavouring to restore confidence. Most of the people fully expect a successful result from the mission of the delegates. The Sioux Indians are becoming troublesome, shooting cattle belonging to the settlers. They believe something is going on detrimental to their interest, and are kept quiet only by liberal supplies of presents. The people of the Settlement and the Hudson Bay

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Company have acknowledged Riel's Government, and all have joined together for safety from the Indians until the bargain with Canada has been made, and a sufficient force from Canada arrives to ensure peace between the whites and Indians. The settlers hope, by temporising with the Indians, to keep them quiet until the plain hunters return to Fort Garry with their winter hunt, otherwise they may cut them off in small squads and plunder them.

The news of the arrest of the delegates and the furore in Canada over the death of Scott, has not reached the Settlement. This may have had a bad effect, as the people had come to the conclusion that everything was going on smoothly, and the terms with Canada were almost certain to be made.

Governor McTavish's health is improving.

Riel has given up to the Hudson Bay Company all the property confiscated, and issued the following Proclamation:—"Let the Assembly of twenty-eight Representatives which met on the 9th March be dear to the people of Red River; that Assembly has shown itself worthy of confidence. It has worked in union, and the members have devoted themselves to the public interests, and yielded only to the sentiments of good-will, duty, and generosity. Thanks to their noble conduct. Public authority will be employed to sustain and protect the people of the country. To-day the Government pardons all those whom political differences led astray, only for a time. Amnesty will be generously accorded to all those who will submit to the Government, and who will discountenance always dangerous gatherings. From this day forth public highways are open and the Hudson Bay Company can now resume business, and may circulate their money as of old. They pledge themselves to that course. The attention of the Government is also directed very especially to the northern part of the country, in order that trade may not receive any serious check, and that peace in the Indian districts may thereby be all the more securely maintained. The disastrous war which at one time threatened us, has left among us foes and various deplorable results, but the people feel assured of the conciliation of affairs. Having been elected by the grace of Providence and the suffrage of my fellow citizens to the highest position in the Government, I proclaim that peace reigns to-day in our midst. The Government will take every precaution to prevent this peace from being disturbed. While all is thus returning to order internally, also matters are looking favourable externally. Canada invites the Red River people to an amicable arrangement. She offers to guarantee us our rights and to give us a place in the Confederation equal to that of any other province. It is undefined with regard to our Provincial Government. Our national laws will be based upon justice, and shall be respected. This is a happy country to have escaped the many misfortunes that were prepared for her. She recommends that old friendship which used to bind us, and by ties of the same patriotism she has received them again for the sake of preserving their lives, their liberty, and their happiness. Let us remain united and we shall be happy. With strength of unity we shall attain prosperity. Oh, my fellow countrymen, without distinction of language, or without distinction of creed, keep my words in your hearts. If ever the time should unfortunately come when another division shall take place amongst us, as foreigners heretofore sought to create, that will be the signal for all the disasters which we have had the happiness to avoid. In order to prevent similar calamities the Government will treat with all the severity of the law those who dare again to compromise the public safety. It is ready to act against the disorder of parties as well as against that of individuals; but let us hope, however, that extreme measures will be unknown, and that the lessons of the past will guide us in the future.

"(Signed) LOUIS RIEL."

Enclosure 7 in
No. 40.

Enclosure 7 in No. 40.

The *Globe* and *Telegraph* denounces the Government policy with regard to the North-West, and the organisation of the Province of Manitobah, in unmeasured terms, as altogether in the interests of the rebellious French element.

A special to the *Telegraph* from St. Paul's dated May 3rd, says that large numbers of the Sioux are being driven from the American Territories, and are crossing over the British boundary, and it is feared they will give the Hudson Bay Hunters trouble.

"The Sioux are under the impression there is disturbance in Fort Garry district and that the half-breeds are plundering the Company, and they express a desire to have a share. An encounter between the Crees and Sioux was soon expected, and the community look to Canada for protection of life and property. The writer says, that Bishop Taché is working night and day through his missionaries and other sources to preserve peace among the Indians, half-breeds and whites. He has prevailed upon the half-breeds and Indians to respect the rights and property of the Hudson Bay Company, and each other, and is gradually bringing security and order out of chaos. The Red River community cannot understand why the Canada press and people extend them so little sympathy or credit for honesty of purpose in their present trying position. Travelling over the plains is represented as improving.

Parsien, who shot Sutherland, died of his wounds on the 6th ult.

The Provisional Government has appointed James McKay Commissioner to inquire into the nature of the complaints, and into the conduct of the Sioux.

"The *New Nation* of the 8th April contains the following items:—

"Bishop Taché visited White Horse Plains last week, by request, and addressed the people in the chapel. After alluding to his visit to the Council at Rome and his recall by a telegram from the Dominion Bishop, he said it was his belief that Canada would treat the people of the land in the kind-

liest and most honourable way. His people, when they reflected fully, would, he felt sure, trust to the sincerity of the professions of Canada, for they could not forget that by many links the countries were bound together; he, himself, and most of the Fathers in the Church here were Canadians. The Sisters living here were also to a large extent Canadians, and the fathers of his hearers for the most part had been Canadians. His Lordship has always met with a hearty reception from his people in this quarter, and his remarks seemed to leave a favourable impression.

Good times are looked for this Spring.

Hunters and traders are reported richly laden with robes and provisions.

The catch of fine fur has been a failure, but the supply of buffalo robes is larger than it has been for years.

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No. 41.

No. 41.

COPY of a TELEGRAM (in cipher) from Governor the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., to the EARL GRANVILLE, K.G., 6th May, 1870.

“I may now, I suppose, give final orders for the military to start for Red River?
“General Lindsay has asked me for such orders.”

No. 42.

No. 42.

COPY of a TELEGRAM from Governor the Rt. Hon. Sir JOHN YOUNG, Bart, G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

“Ottawa, 12th May, 1870.

(Received 13th May, 1870.)

(Answered, No. 119, 19th May, 1870, page 179.)

“Bill for Government of North-West passed, sanctioning conditions agreed upon with Delegates. Parliament prorogued to-day.”

No. 43.

No. 43.

COPY of a TELEGRAM from Governor the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., to The EARL GRANVILLE, K.G.

“15th May, 1870.

“Mr. Archibald of Nova Scotia is to be Lieutenant-Governor of the North-West.”

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No. 44.

No. 44.

COPY of a DESPATCH from Governor The Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B.,
G.C.M.G., to the EARL GRANVILLE, K.G.

(No. 97.)

Government House, Ottawa,
19th May, 1870.

MY LORD,

(Received 1st June, 1870.)

1. I have the honour to forward herewith certified copies of the Act "to establish
"and provide for the Government of the Province of Manitoba."

2. The Act is so short that it seems needless to attempt to summarise its provisions.

3. I have been informed by trustworthy authority that it is likely to prove generally
acceptable to the people of the North-West.

4. The gentleman recommended by my responsible advisers to fill the important office
of Lieutenant-Governor is the Honourable A. G. Archibald of Nova Scotia.

5. Mr. Archibald has filled the offices of Solicitor-General and Attorney-General in
the Province of Nova Scotia previous to confederation. He was a Member of the Con-
vention in 1864 which discussed the terms of the present Confederation; and a Delegate
to the London Conference, which finally settled the terms of union. He was appointed
a Privy Councillor and Secretary of State for the Provinces in the first Government of
the Dominion, but being defeated at the elections, he resigned his seat in the Cabinet.
He has since been returned by his former constituency of Colchester to the Dominion
Parliament. Mr. Archibald is spoken of in all quarters as a man of ability, and sound,
calm judgment, and I trust his selection may prove a fortunate one.

6. Colonel Wolseley, who is to command the expedition, leaves Toronto with Her
Majesty's Troops on the 20th instant, and they go on as quickly as possible to Fort
William at the head of Lake Superior.

7. I telegraphed to him yesterday to send me, for your Lordship's information, a short
statement of his probable movements. He replied as follows:—

"There are 200 of the First Battalion of Volunteers and the gunboat 'Rescue' at the
"Sault.

"All the Regular Troops will be at Fort William on the 26th of May. A post will
"be formed there and fortified.

"It is hoped that all the Volunteers and Stores will have reached Fort William by
"the 10th June.

"Expect to reach Fort Garry, with entire Force, about 1st August, and to leave with
"Regulars between 20th and 25th of August, so as to reach Toronto by 1st October."

8. I also send a copy of the orders which he has issued.

9. A temporary difficulty occurred in consequence of the stoppage by the American
Authorities of the steamer 'Chicora' at the Sault Ste. Marie Canal, which runs through
American Territory, connecting Lake Huron with Lake Superior. She had no warlike
stores whatever on board, the Canadian Government having from the very first decided
not to attempt the sending of any such Stores, much less of Troops, through this
Canal.

10. At the request of my Ministers, therefore, I addressed a representation to Her
Majesty's Minister at Washington, and I am happy to be able to report that the United
States Government has very promptly sent instructions to allow the 'Chicora,' and
vessels of the same class, to pass through the Canal.

11. I have placed the services of Lieutenant-Colonel McNevel, V. C., my Military
Secretary, at the disposal of General Lindsay, for the Expedition. He will report fully
to me, as occasion offers along the route, and I shall forward his reports to your Lord-
ship for your information.

12. I beg to forward certain Resolutions passed at a Public Meeting at Sarnia, in
Ontario, which have been sent on to me for the purpose, as Resolution 3 states, that
"this Meeting believes it expresses the enlightened public opinion of Canada in calling
"on our Government to use its influence with the Imperial Authorities with the view to
"the offer of a reward for the capture and arraignment at the bar of justice of Riel
"and his associates in the work of murder."

The Earl Granville, K.G.
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

RED RIVER SETTLEMENT.

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Enclosure 1 in
No. 44,

Enclosure 1 in No. 44.

An Act to amend and continue the Act 32 and 33 Victoria chapter 3, and to establish and provide for the Government of the Province of Manitoba.

WHEREAS it is probable that Her Majesty the Queen may, pursuant to the "British North America Act, 1867, be pleased to admit Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, before the next Session of the Parliament of Canada :

And Whereas it is expedient to prepare for the transfer of the said Territories to the Government of Canada at the time appointed by the Queen for such admission :

And Whereas it is expedient also to provide for the organization of part of the said Territories as a Province, and for the establishment of a Government therefor, and to make provision for the Civil Government of the remaining part of the said Territories, not included within the limits of the Province :

Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. On, from and after the day upon which the Queen, by and with the advice and consent of Her Majesty's Most Honourable Privy Council, under the authority of the 146th Section of the "British North America Act, 1867," shall, by Order in Council in that behalf, admit Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, there shall be formed out of the same a Province, which shall be one of the Provinces of the Dominion of Canada, and which shall be called the Province of Manitoba, and be bounded as follows: that is to say, commencing at the point where the meridian of ninety-six degrees west longitude from Greenwich intersects the parallel of forty-nine degrees north latitude,—thence due west along the said parallel of forty-nine degrees north latitude (which forms a portion of the boundary line between the United States of America and the said North-Western Territory) to the meridian of ninety-nine degrees of west longitude, then due north along the said meridian of ninety-nine degrees of west longitude, to the intersection of the same with the parallel of fifty degrees and thirty minutes north latitude,—thence due east along the said parallel of fifty degrees and thirty minutes north latitude to its intersection with the before-mentioned meridian of ninety-six degrees west longitude,—thence due south along the said meridian of ninety-six degrees west longitude to the place of beginning.

2. On, from and after the said day on which the Order of the Queen in Council shall take effect as aforesaid, the provisions of the "British North America Act, 1867," shall, except those parts thereof which are in terms made, or, by reasonable intendment, may be held to be specially applicable to, or only to affect one or more, but not the whole of the Provinces now composing the Dominion, and except so far as the same may be varied by this Act, be applicable to the Province of Manitoba, in the same way, and to the like extent as they apply to the several Provinces of Canada, and as if the Province of Manitoba had been one of the Provinces originally united by the said Act.

3. The said Province shall be represented in the Senate of Canada by two Members, until it shall have, according to decennial census, a population of fifty thousand souls, and from thenceforth it shall be represented therein by three Members until it shall have, according to decennial census, a population of seventy-five thousand souls, and from thenceforth it shall be represented therein by four Members.

4. The said Province shall be represented, in the first instance, in the House of Commons, by four Members, and for that purpose shall be divided by proclamation of the Governor-General, into four Electoral Districts, each of which shall be represented by one Member: Provided that on the completion of the Census in the year 1881, and of each Decennial Census afterwards, the representation of the said Province shall be re-adjusted according to the provisions of the fifty-first section of the "British North America Act, 1867."

5. Until the Parliament of Canada otherwise provides, the qualification of voters at Elections of Members of the House of Commons shall be the same as for the Legislative Assembly hereinafter mentioned: And no person shall be qualified to be elected or to sit and vote as a Member for any Electoral District unless he is a duly qualified voter within the said Province.

6. For the said Province there shall be an officer styled the Lieutenant-Governor, appointed by the Governor-General in Council, by instrument under the Great Seal of Canada.

7. The Executive Council of the Province shall be composed of such persons, and under such designations, as the Lieutenant-Governor shall from time to time think fit, and, in the first instance, of not more than five persons.

8. Unless and until the Executive Government of the Province otherwise directs, the seat of Government of the same shall be at Fort Garry, or within one mile thereof.

9. There shall be a Legislature for the Province, consisting of the Lieutenant-Governor, and of two Houses styled respectively the Legislative Council of Manitoba, and the Legislative Assembly of Manitoba.

10. The Legislative Council shall, in the first instance, be composed of seven Members, and after the expiration of four years from the time of the first appointment of such seven Members, may be increased to not more than twelve Members. Every Member of the Legislative Council shall be appointed by the Lieutenant-Governor in the Queen's name, by instrument under the Great Seal of Manitoba, and shall hold office for the term of his life, unless and until the Legislature of Manitoba otherwise provides under the "British North America Act, 1867."

11. The Lieutenant-Governor may, from time to time, by instrument under the Great Seal, appoint

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a Member of the Legislative Council to be Speaker thereof, and may remove him, and appoint another in his stead.

12. Until the Legislature of the Province otherwise provides, the presence of a majority of the whole number of the Legislative Council, including the Speaker shall be necessary to constitute a meeting for the exercise of its powers.

13. Questions arising in the Legislative Council shall be decided by a majority of voices, and the Speaker shall, in all cases have a vote, and when the voices are equal, the decision shall be deemed to be in the negative.

14. The Legislative Assembly shall be composed of twenty-four Members, to be elected to represent the Electoral Divisions into which the said Province may be divided by the Lieutenant-Governor as hereinafter mentioned.

15. The presence of a majority of the Members of the Legislative Assembly shall be necessary to constitute a meeting of the House for the exercise of its powers,—and for that purpose the Speaker shall be reckoned as a Member.

16. The Lieutenant-Governor shall (within six months of the date of the Order of Her Majesty in Council, admitting Rupert's Land and the North-Western Territory into the Union) by Proclamation under the Great Seal, divide the said Province into twenty-four Electoral Divisions, due regard being had to existing Local Divisions and population.

17. Every male person shall be entitled to vote for a Member to serve in the Legislative Assembly for any Electoral Division, who is qualified as follows; that is to say, if he is:—

- (1.) Of the full age of twenty-one years, and not subject to any legal incapacity:
- (2.) A Subject of Her Majesty by birth or naturalization:
- (3.) And a *bonâ fide* householder within the Electoral Division, at the date of the Writ of Election for the same, and has been a *bonâ fide* householder for one year next before the said date; or,
- (4.) If, being of the full age of twenty-one years, and not subject to any incapacity, and a subject of Her Majesty by birth or naturalization, he was at any time within twelve months prior to the passing of this Act, and (though in the interim temporarily absent) is at the time of such election a *bonâ fide* householder, and was resident within the Electoral Division at the date of the Writ of Election for the same.

But this fourth sub-section shall apply only to the first election to be held under this Act for Members to serve in the Legislative Assembly aforesaid.

18. For the first election of Members to serve in the Legislative Assembly, and until the Legislature of the Province otherwise provides, the Lieutenant-Governor shall cause writs to be issued by such person, in such form, and addressed to such Returning Officers as he thinks fit; and for such first election, and until the Legislature of the Province otherwise provides, the Lieutenant-Governor shall, by proclamation, prescribe and declare the oaths to be taken by voters, the powers and duties of Returning and Deputy Returning Officers, the proceedings to be observed at such election, and the period during which such election may be continued, and such other provisions in respect to such first election as he may think fit.

19. Every Legislative Assembly shall continue for four years from the date of the return of the Writs for returning the same (subject nevertheless to being sooner dissolved by the Lieutenant-Governor) and no longer; and the first Session thereof shall be called at such time as the Lieutenant-Governor shall appoint.

20. There shall be a Session of the Legislature once at least in every year, so that twelve months shall not intervene between the last sitting of the Legislature in one Session, and its first sitting in the next Session.

21. The following provisions of the "British North America Act, 1867," respecting the House of Commons of Canada, shall extend and apply to the Legislative Assembly, that is to say:—Provisions relating to the Election of a Speaker, originally, and on vacancies—the duties of the Speaker,—the absence of the speaker and the mode of voting, as if those Provisions were here re-enacted, and made applicable in terms to the Legislative Assembly:

22. In and for the Province, the said Legislature may exclusively make Laws in relation to education, subject and according to the following provisions:—

- (1.) Nothing in any such law shall prejudicially affect any right or privilege with respect to Denominational Schools which any class of persons have by Law or practice in the Province at the Union:
- (2.) An appeal shall lie to the Governor-General in Council from any Act or decision of the Legislature of the Province, or of any Provincial authority, affecting any right or privilege of the Protestant or Roman Catholic minority of the Queen's Subjects in relation to education:
- (3.) In case any such Provisional Law as from time to time seems to the Governor-General in Council requisite for the due execution of the provisions of this Section is not made, or in case any decision of the Governor-General in Council on any appeal under this Section is not duly executed by the proper Provincial authority in that behalf, then, and in every such case, and as far only as the circumstances of each case require, the Parliament of Canada may make remedial Laws for the due execution of the provisions of this Section, and of any decision of the Governor-General in Council under this Section.

23. Either the English or the French language may be used by any person, in the debates of the Houses of the Legislature, and both those languages shall be used in the respective Records and Journals of those Houses, and either of those languages may be used by any person, or in Pleading or Process, in or issuing from any Court of Canada established under the "British North America Act, 1867," or in or from all or any of the Courts of the Province. The Acts of the Legislature shall be printed and published in both those Languages.

24. Inasmuch as the Province is not in debt, the said Province shall be entitled to be paid, and to receive from the Government of Canada, by half-yearly payments in advance, interest at the rate of five per centum per annum on the sum of four hundred and seventy-two thousand and ninety dollars.

25. The sum of thirty thousand dollars shall be paid yearly by Canada to the Province, for the support of its Government and Legislature, and an annual grant, in aid of the said Province shall be made, equal to Eighty cents per head of the population, estimated at seventeen thousand souls; and such grant of Eighty cents per head shall be augmented in proportion to the increase of population, as may be shewn by the census that shall be taken thereof in the year one thousand eight hundred and eighty-one, and by each subsequent decennial census, until its population amounts to four hundred thousand souls, at which amount such grant shall remain thereafter, and such sum shall be in full settlement of all future demands on Canada, and shall be paid half-yearly, in advance, to the said Province.

26. Canada will assume and defray the charges for the following services:—

- (1.) Salary of the Lieutenant-Governor.
- (2.) Salaries and allowances of the Judges of the Superior and District of County Courts.
- (3.) Charges in respect of the Department of the Customs.
- (4.) Postal Department.
- (5.) Protection of Fisheries.
- (6.) Militia.
- (7.) Geological Survey.
- (8.) The Penitentiary.
- (9.) And such further charges as may be incident to, and connected with the services which by the "British North America Act, 1867," appertain to the General Government, and as are, or may be allowed to the other Provinces.

27. The Customs' duties now by law chargeable in Rupert's Land, shall be continued without increase for the period of three years from and after the passing of this Act, and the proceeds of such duties shall form part of the Consolidated Revenue Fund of Canada.

28. Such provisions of the Customs Laws of Canada (other than such as prescribe the rate of duties payable) as may be from time to time declared by the Governor-General in Council to apply to the Province of Manitoba, shall be applicable thereto, and in force therein accordingly.

29. Such provisions of the Laws of Canada, respecting the Inland Revenue, including those fixing the amount of duties, as may be from time to time declared by the Governor-General in Council applicable to the said Province, shall apply thereto, and be in force therein accordingly.

30. All ungranted or waste lands in the Province shall be, from and after the date of the said transfer, vested in the Crown, and administered by the Government of Canada for the purposes of the Dominion, subject to, and except and so far as the same may be affected by, the conditions and stipulations contained in the agreement for the surrender of Rupert's Land by the Hudson Bay Company to Her Majesty.

31. And whereas it is expedient, towards the extinguishment of the Indian Title to the lands in the Province, to appropriate a portion of such ungranted lands to the extent of one million four hundred thousand acres thereof, for the benefit of the families of the half-breed residents, it is hereby enacted, that under regulations to be from time to time made by the Governor-General in Council, the Lieutenant-Governor shall select such lots or tracts in such parts of the Province as he may deem expedient, to the extent aforesaid, and divide the same among the children of the half-breed heads of families, residing in the Province at the time of the said transfer to Canada, and the same shall be granted to the said children respectively, in such mode and on such conditions as to settlement and otherwise, as the Governor-General in Council shall from time to time determine.

32. For the quieting of titles, and assuring to the Settlers in the Province the peaceable possession of lands now held by them, it is enacted as follows:—

- (1.) All grants of land in freehold made by the Hudson's Bay Company up to the eighth day of March, in the year 1869, shall if required by the owner, be confirmed by grant from the Crown.
- (2.) All grants of estates less than freehold in land made by the Hudson's Bay Company up to the eighth day of March aforesaid, shall, if required by the owner be converted into an estate in freehold by grant from the Crown.
- (3.) All titles by occupancy with the sanction and under the license and authority of the Hudson Bay Company up to the eighth day of March aforesaid, of land in that part of the Province in which the Indian title has been extinguished, shall, if required by the owner, be converted into an estate in freehold by grant from the Crown.
- (4.) All persons in peaceable possession of tracts of land at the time of the transfer to Canada, in those parts of the Province in which the Indian Title has not been extinguished, shall have the right of pre-emption of the same, on such terms and conditions as may be determined by the Governor-in-Council.
- (5.) The Lieutenant-Governor is hereby authorised, under regulations to be made from time to time by the Governor-General in Council, to make all such provisions for ascertaining and adjusting, on fair and equitable terms, the rights of Common, and rights of cutting Hay held and enjoyed by the settlers in the Province, and for the commutation of the same by grants of land from the Crown.

33. The Governor-General in Council shall from time settle and appoint the mode and form of Grants of Land from the Crown, and any Order in Council for that purpose when published in the 'Canada Gazette,' shall have the same force and effect as if it were a portion of this Act.

34. Nothing in this Act shall in any way prejudice or affect the rights or properties of the Hudson's

CANADA. Bay Company, as contained in the conditions under which that Company, surrendered Rupert's Land to Her Majesty.

35. And with respect to such portion of Rupert's Land and the North-Western Territory, as is not included in the Province of Manitoba, it is hereby enacted, That the Lieutenant Governor of the said Province shall be appointed, by Commission under the Great Seal of Canada, to be the Lieutenant-Governor of the same, under the name of the North-West Territories, and subject to the provisions of the Act in the next Section mentioned.

36. Except as hereinbefore is enacted and provided, the Act of the Parliament of Canada, passed in the now last Session thereof, and entitled "An Act for the temporary government of Rupert's Land, and the North Western Territory when united with Canada," is hereby re-enacted, extended, and continued in force until the first day of January, 1871, and until the end of the Session of Parliament then next succeeding.

As Keeper of the Laws of the Dominion of Canada, I do hereby certify the foregoing to be a true Copy of the Original Enactment now in my possession, which received the Royal Assent on Thursday the twelfth day of May, in the year of our Lord one thousand eight hundred and seventy.

JOHN F. TAYLOR,
Clerk of the Senate.

Office of the Senate of Canada,
Ottawa 16th May, 1870.

Enclosure 2 in No. 44.

STANDING ORDERS FOR THE RED RIVER EXPEDITIONARY FORCE.

Enclosure 2
in No. 44.

Toronto, 14th May, 1870.

1. The Expeditionary Force will proceed from the end of the Thunder Bay Road to the Lake of the Woods in boats. It will move by Detachments, consisting of one or more Companies. To each Company a Brigade of five boats will be attached.

2. The boats will be numbered 1, 2, 3, &c., &c., and the brigade will be distinguished by letters beginning at A.

3. In each boat there will be the following tools and equipment:—Two felling axes, one pick-axe, one spade, one shovel, two hand axes, two flanders kettles, two frying pans, two sails, two boat-hooks, two spare oars, "making eight in all;" four rowlocks, one set of blocks (single and double), one boat lamp, six thimbles for setting poles, one dipper, one rubber bucket, one boat-sponge, two cans of paint (black and white), five lbs. assorted boat-nails, one double-tin oil-can, one tin, with pitch, one tarpaulin, fenders, sixty fathoms tow-line, one can mosquito oil, &c., &c.; spare plank and tools necessary for repairs. There will also be the cooking utensils, &c., of the boatmen, for which the coxswain of each boat will be responsible. In every boat there will be 30 days' rations for the soldiers and boatmen, besides, also, about one ton of surplus stores.

4. With each brigade of boats there will be a carpenter's chest of tools and a fishing net.

5. The scale of rations for every one will be as follows:—1 lb. of biscuit, or 1½ lb. of soft bread, 1 lb. of salt pork, or 1½ lb. of fresh meat, 2 oz. of sugar, 1 oz. of tea, ½ oz. salt when fresh meat is issued, ½ pint of beans, or ¼ lb. preserved potatoes, ⅜ oz. pepper; the ration of flour, when issued, to be 1½ lb.

6. In each boat there will be three voyageurs, one of whom will be the coxswain and have entire charge of managing the boat.

7. The officer or N.C. officer in command of the men in each boat will render him every assistance in doing so, and any one going counter to his advice must understand that he is taking upon himself a grave responsibility, which may possibly affect the safety of the whole party.

8. No one, under any pretence, will be allowed to sit on the gunwale of the boats, and all must learn to sit steadily, moving as little as possible when the boat is under weigh, particularly in rapid water. When under sail the sheets must never be made fast, they must invariably be held by the hand.

9. To prevent supplies being sent to wrong places, it must be remembered that all stores belonging to the expedition have been divided into three classes, X., Y., Z., and marked accordingly; those marked Z. are to be taken with the Force when it finally starts from Fort Francis; those marked Y. are to be left at Fort Francis, and those marked X. at Fort William.

10. Officers commanding companies will not allow, under any pretence whatever, any person not belonging to the Force to be carried in the boats, unless he has a written permission, signed by the officer commanding the Force or by Lieutenant-Colonel Boulton.

11. The officer in immediate command at the Shebandowan end of the road will be held strictly responsible that no unauthorised person embarks. He will attend at the departure of each brigade of boats to see this order rigidly carried out.

12. Detachments will be posted temporarily at various portages along the route for the purpose of facilitating the transport of supplies to Fort Francis.

13. They will carry out this duty as follows:—They will daily send back to the nearest portage in rear a sufficient number of boats to carry 15 tons of stores; all the boatmen to be employed on this service, supplemented by as many soldiers as the officer commanding on the spot may consider necessary; all soldiers to take their arms and accoutrements with them.

14. One officer will invariably accompany the boats upon this duty, and will take with him at each trip supplies sufficient for the crews for three days, together with a portion of tools, &c., &c. The remainder of the detachment to be employed daily in carrying over the portage at their post the 15 tons of stores brought up by the boats on the previous day, and loading them in the boats sent back to receive them by the detachment in front.

15. The day after each detachment has reached its position it will commence operations by sending back for the surplus stores of the detachment in rear. This will be continued daily, until all the reserve supplies for Fort Francis have been sent forward.

16. The greatest possible care will be necessary in loading and unloading the boats to guard against their being injured. The Indian voyageurs having had great experience in loading canoes; their advice is to be attended to in this matter.

17. Every one concerned must learn that the success of the undertaking depends upon these boats, and if those provided be rendered unserviceable they cannot be replaced.

The Colonel Commanding will therefore have no alternative but to leave behind the crews of any boats that are rendered unfit for use.

19. Colonel McNeill will be stationed at the Shebandowan end of the road. Special instructions will be issued to him for his guidance.

19. Mr. Myer will be the control officer there, to superintend the shipment of stores. He will be responsible for the loading of the boats, and will decide also the description and amount of stores to be sent with each, in addition to those laid down as forming the equipment of each boat. He will hand over to the Captain of each Company, the evening before he starts, the complete equipment of his brigade of boats, receiving a receipt from him for it. The Officer commanding the Company will make an exact copy of the list in his pocket-book, specifying therein how he has distributed the stores, &c., by boats, and the name of the Officer or Sergeant in charge of each boat.

20. Mr. Myer will also hand over to every Officer commanding a Company rations complete for his men and voyageurs for thirty days, taking a receipt for the same; a list of these provisions to be also entered by the Captain in his pocket-book. These provisions must be distributed throughout the boats, so that in each boat there will be thirty days' rations for every one in it.

21. Mr. Myer will also hand over to every Officer commanding a Company as much surplus supplies (about 2000 lbs. weight for each boat) as his boats can conveniently carry—Mr. Myer to be the judge on this point—giving him an accurate list of the articles, which will be sent on with the stores when they are passed forward beyond the portage, where the Company is to be temporarily stationed on the line of route. This list will be signed as correct, or otherwise, by all the Officers commanding at the several portages when the stores pass through their posts; any article deficient to be noted on the list.

22. After the last detachment has left, the stores noted in the margin* will be shipped with as little delay as possible, at the rate of fifteen tons a-day. One or, if possible, two days before the last fifteen tons are to be despatched from Shebandowan Lake, Colonel McNeill will notify in writing, to all the posts in advance, stating when the last of the reserve stores will be sent through. He will send a written memorandum with the last fifteen tons, saying they are the last.

Upon receipt of this information (which will be signed by the Officer commanding each Detachment, and forwarded on to the next post) Officers commanding at all posts on the line between Shebandowan and Fort Francis will proceed without delay to the latter place, taking on with them their boats and all their equipments, and the remains of the thirty days' provisions sent originally with them.

23. Upon reaching Fort Francis they will complete their boats with thirty days' rations for all persons in them, and will embark such surplus stores as the Control Officer, Mr. Mellish, may indicate.

24. As soon as the detachment left at Bear Portage reaches Fort Francis the 200 men of the 1st, 60th Rifles, which had been stationed there during this movement will start for the Rat Portage to work at it.

25. By these arrangements, the last Detachment (that left at Shebandowan Lake) will reach Fort Francis the day after the last fifteen tons of the reserve supplies to be stored there reach that place.

26. The Detachments from Fort Francis will severally start from thence as soon as relieved by the Detachment coming up in rear.

27. Fresh instructions will be issued at Fort Francis with reference to the forward movement from that place.

28. In case of a man falling seriously ill, or being seriously injured whilst the Troops are moving to their several stations, the Medical Officer with the Detachment will decide whether the illness or injury is of such a nature as to prevent the man from proceeding further. If he pronounces the man as likely to be unfit for work for some time to come, he is to be left behind at the nearest portage where a Detachment is to be stationed, in charge of a Non-commissioned Officer and one man, who will take their arms, accoutrements, &c., &c., with them. A week's provisions to be left for the three men. All Officers commanding Detachments passing by them to see that they have always that quantity in their possession.

As soon as the Detachment to be stationed at the Portage where the sick man has been left arrives, he will be sent with the returning boats to the rear, to be forwarded on to the Hospital at Fort William.

* Barrels of flour.
Barrels of pork.
Bags of biscuits.
Chests of tea.
Barrels of sugar.
Bags of beans.
Tins of pepper.
Bags of salt.
Tins of potatoes.

CANADA.

If there is no Medical Officer with the Detachment, the sick man will be left behind in a similar manner until the arrival of a Detachment having a Doctor with it.

In both cases the N. C. Officer and Private left with the man will proceed on to join their Company as soon as the man has been sent to the rear.

The Officer commanding the 12th Detachment, whilst *en route* between his Post at the Kashaboiwe Portage and Fort Francis, will use his own discretion as to whether he will send serious cases of illness to the Hospital at Fort William, or take them on with him to Fort Francis. If he can possibly do so he should send them to the former place.

29. Officers commanding detachments, from the time of their embarking at Shebandowan, will keep a Journal of their route, entering the exact hour they start each morning, the hours they halt for meals and start again, the time they reach the halting-place for the night, giving the name of the place, the state of the weather, whether they used oars or sails during the day, &c., &c. All irregularities committed by their men to be recorded. They will also state whether they found the fires made by the previous detachment still burning or not.

30. The Officers commanding the several Detachments posted at the Portages will encamp their men in as compact order as possible on the end of the Portage nearest to Fort Francis, except when, from the marshiness of the ground, or other peculiar causes, there are good reasons for departing from this order.

They will pile up their provisions close to the landing place, at the Fort Francis side of the Portage, covering them over with the boat tarpaulins, and doing everything in their power to protect them from the weather.

The boats will remain on the Shebandowan side of the Portage, every precaution being taken to secure them at night by their painters to the shore. When there is a good beach they should be hauled up for the night, being launched every morning.

31. Each Detachment will have a Guard, consisting of at least three men per Company. They will mount with arms and accoutrements. Up to Fort Francis the arms for the other men will remain in their arm chests, unless when for special reasons the Officers commanding detachments may consider it necessary for the men to keep their arms in the tents.

The arms, if kept in these arm chests, must be frequently inspected by the Captains of Companies, to see that they are free from rust, and in good and serviceable order.

32. The greatest possible precautions to be taken to guard against the woods being set on fire.

The cooking places will be established as near the water as possible, and no other fires are to be allowed in the camp without the express permission of the officer commanding the detachment, who will assure himself, before giving such permission, that there is no danger to be apprehended.

When on the move, officers commanding companies will be held responsible that all fires are extinguished previous to their leaving a camp.

33. As a rule, the reveille will sound at 3 a.m. every morning, and the boats will start as soon after that as possible, the men to have some hot tea before starting. The boats of each brigade must keep as near together as possible, the Captain with his Bugler being in the leading boat; the senior subaltern and a sergeant in the rear boat.

A halt of one hour will be made at 8 a.m. for breakfast; another halt of an hour at 1 p.m. for dinner. Officers commanding companies may, of course, depart a little from these hours for meals; but, under no circumstances, is more than an hour to be allowed for each meal. They will always halt for the night at least one full hour before dark, so that there may be ample time to establish the Camp for the night. When on the move, it is not advisable to pitch tents except when it rains or threatens to do so—even then the smallest possible number should be pitched.

34. When it is necessary to track the boats, the crew will be divided into two parties, each consisting of four or five soldiers and one voyageur. Sergeants are not to be employed in tracking.

These two parties to relieve one another every two hours. Officers and N. C. Officers in charge of boats will see that the men returning to their boats after tracking put on their serge frocks at once, which are not to be removed for at least half an hour afterwards.

All Officers belonging to this force will be most careful in impressing upon those under their command the great necessity there is for cultivating the good will of the Indians and others employed as voyageurs.

Colonel Wolseley will punish with the utmost severity any one who ill treats them.

The same rule applies to all Indians who may be met on the line of route.

It must be remembered that the Government has made a treaty with them securing the right of way through their country; all are therefore bound to protect them from injury, and it is of special importance that our intercourse with them should be of the most friendly nature.

No Indians but those actually attached to the Force are to be allowed to pass the night in our Camps.

(Signed) G. J. WOLSELEY,
Colonel Commanding Expeditionary Force.

At a Public Meeting of the inhabitants of Sarnia, held in the Town Hall on Thursday evening, the 14th day of April instant, the MAYOR in the Chair, the following Resolutions were unanimously adopted:—

First,

Moved by the Honourable A. VIDAL, Seconded by R. McKENZIE, Esq., and

CANADA.

Resolved,

That we, the inhabitants of the Town of Sarnia, in Public Meeting assembled, desire to express our deep indignation at the treatment to which our fellow countrymen in the North-West have been subjected at the hands of a disloyal fraction, which has temporarily usurped the functions of Government there, and violated the fundamental law of the British Empire by an illegal assumption of power over the lives and liberties of British freemen; and that we confess to a deep feeling of humiliation that our birthright privileges as British subjects should, even for a brief period, be trampled underfoot on British soil.

Secondly,

Moved by F. DAVIS, Esq., Seconded by T. B. PARDU, Esq., and

Resolved,

That the bloody and atrocious murder in mock legal form of our brave countryman Thomas Scott, for the simple crime of outspoken loyalty to Queen and country, is an act which calls loudly for punishment; and this meeting trusts that no unworthy parleying with rebels will be allowed to stay the strong right arm of a willing soldiery from carrying succour and protection to the overborne loyal population of Red River, and hurling from his fancied fortress of power the miscreant who murders and maltreats his fellow-subjects and insults the national honour.

Thirdly,

Moved by A. YOUNG, Esq., Seconded by R. S. GURD, Esq., and

Resolved,

That this Meeting believes it expresses the enlightened public opinion of Canada in calling on our Government to use its influence with the Imperial Authorities, with a view to the offer of a reward for the capture and arraignment at the Bar of Justice of Riel and his chief associates in the work of murder.

Fourthly.

Moved by JOSHUA ADAMS, Esq., seconded by G. R. S. CHALMERS, Esq., and

Resolved,

That this Meeting expresses the deepest sympathy with the relatives and friends of the brave and patriotic Scott, so foully murdered by Riel and his associates.

Fifthly,

Moved by J. H. WOOD, Esq., Seconded by the Rev. MR. MCCALLUM, and

Resolved,

That a copy of the foregoing Resolutions be at once forwarded to the Dominion Government.

Signed,
CHARLES TAYLOR, Chairman.
P. B. DOUGLAS, Secretary,

CANADA.

No. 66.

Despatches from the Secretary of State.

No. 1.

No. 1.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Rt. Hon. SIR JOHN YOUNG, Bart., G.C.B., G.C.M.G.

25th November, 1869.

"Do what you like with the following:—

"The Queen has learnt with regret and surprise that certain misguided men have joined together to resist the entry of the Lieutenant-Governor into Her Majesty's possessions on the Red River.

"The Queen does not distrust Her subjects' loyalty in those Settlements, and must ascribe their opposition to a change plainly for their advantage to misrepresentation or misunderstanding.

"She relies upon your Government for taking every care to explain where there is a misunderstanding, and to ascertain the wants and conciliate the good will of the Settlers of the Red River. But at the same time she authorises you to tell them that she views with displeasure and sorrow their lawless and unreasonable proceedings, and that she expects that if they have any wish to express, or complaints to make, they will address themselves to the Governor of the Dominion of Canada, of which in a few days they will form a part.

"The Queen relies upon Her Representative being always ready on the one hand to give redress to well founded grievances and on the other hand to repress, with the authority which she has entrusted him, any unlawful disturbance."

No. 2.

No. 2.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Rt. Hon. SIR JOHN YOUNG, Bart., G.C.B., G.C.M.G.

30th November, 1869.

"Transfer to Canada must follow surrender to Imperial Government to make latter legal.

"Hudson's Bay Company's Government no longer possible, and the only alternative is Government by Canada, which ought to be established promptly. Her Majesty's Government are, however, desirous to co-operate, and believe Hudson's Bay Company to be equally anxious to do so."

No. 3.

No. 3.

COPY of a DESPATCH from The EARL GRANVILLE, K.G., to Governor
The Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 214.)

Downing Street, 30th November, 1869.

SIR,

* Page 3.

I have received with much regret your Telegram of the 23rd * instant, informing me that disturbances had occurred in the Red River Settlements, and that Canada cannot accept the transfer of the Territories hitherto occupied by the Hudson's Bay Company, unless quiet possession can be given.

2. It becomes necessary, under these circumstances, to recall to you the state of this question.

3. Although Her Majesty's Government have long desired that the Title of the Hudson's Bay Company to these Territories should be extinguished, yet this extinction has been uniformly pressed forward by and in the interests of Canada.

4. On the 11th November, 1864, a Committee of the Executive Council of Canada, expressed themselves "more than ever impressed with the importance of opening up "to settlement and cultivation, the lands lying between Lake Superior and the Rocky "Mountains;" and expressed the opinion that the first step towards settlement was the extinction of all claim by the Hudson's Bay Company to proprietary rights in the soil, or exclusive right of trade.

5. By Mr. Cardwell's Despatch of the 17th June, 1865,† it appears that the Ministers of the then Province of Canada desired that the North-Western Territory should be made over to that Province, and undertook to negotiate with the Company for the termination of their rights.

† Vide Papers presented 19 June 1865, p. 1.

6. On the 22nd of June, 1866, the Executive Council of Canada expressed the opinion that the most inviting parts of the Territory would shortly be peopled by persons whom the Company were unable to control; and who would establish a Government and Tribunals of their own, and assert their political independence—that such a community would cut British North America in two, and retard or prevent their communication by Railway, and, therefore, that "The future interests of "Canada and all British North America, were vitally concerned in the immediate "establishment of a strong Government there, and in its Settlement as a part of the "British Colonial system."

7. They express their conviction that the Confederate Government and Legislature will feel it to be one of their first duties to open negotiations with the Company for the transfer of their claims to the Territory—which, but for the approach of Confederation, they would themselves have done. And meantime they pray Her Majesty's Government to discountenance and prevent any such sales of any portion of the Territory as had then been proposed to its existing proprietors.

8. By the Act of Parliament which effected Confederation, The Queen was authorized, on certain terms, to annex these Territories to the Dominion. These powers the Canadian Parliament prayed her to exercise; Her Majesty's Government were unable to concur in the terms on which the transfer was proposed to be made, but after prolonged negotiations, and the passing of a second Act of Parliament, fresh terms were agreed upon between the Hudson's Bay Company and the Representatives of the Colony, and were embodied in a second Address from the Canadian Parliament,—the other requisite Instruments have been prepared, and the Canadian Government itself has named, first, the 1st of October, and next, the 1st of December, for the completion of the transfer. Meanwhile, the Company have been informed by the Agents of the Canadian Government (Messrs. Baring and Glyn), that the indemnity of 300,000*l.* will be paid, on due proof of the completion of their surrender.

9. Throughout these negotiations, it has never been hinted that the Company is to be bound to hand over its Territory in a state of tranquillity. Rather its inability to secure that tranquillity, and the dangers resulting from that inability to the neighbouring Colony, is taken for granted as a reason why its responsibilities should be adopted by Canada.

10. This being the state of the case, the Canadian Government, in anticipation of the transfer now agreed on by all parties, undertook certain operations in respect of land, subject in the first instance to a faint protest from the Company, and directed the future Lieutenant-Governor to enter the Territory. The result, unfortunately, has not met the expectations of the Colonial Government.

11. Mr. McDougall was met, it appears, by armed resistance, and the disturbances caused by his presence seem to have resulted in the plunder of the Company's Stores, and the occupation of Fort Garry by the insurgent portion of the population.

12. But the Canadian Government having, by this measure given occasion to an outbreak of violence in a Territory which they have engaged to take over, now appear to claim the right of postponing indefinitely, the completion of their engagements to the Company, and of imposing on Her Majesty's Government the responsibility of putting down the resistance which has thus arisen. This, at least, I understand from the passages "On surrender by the Company to the Queen of Great Britain, the "Government of the Company ceases," and "Canada cannot accept the transfer unless "quiet possession can be given."

13. You will, however, perceive, on referring to the Act of Parliament 31 and 32 Vict., chap. 105, that if on the one hand the Parliament of Canada embodies in an Address the terms on which they are prepared to receive Rupert's Land into the Dominion, and if, on the other hand, the Company surrender their Territory on terms agreed on with Her Majesty, it merely remains for Her Majesty, first by acceptance of the surrender, and next by Order in Council, to give effect to the arrangement thus

CANADA.

agreed to by both parties—and it is provided that the surrender of the Territory becomes null and void, unless within a month of its acceptance by the Queen, Ruperts' Land is by such Order in Council admitted into the Dominion of Canada.

14. You will see, therefore, that it is impossible for Her Majesty to accept the surrender of the Hudson's Bay Company's Territory, unless it is certain within a month to be transferred to Canada.

15. Unless, therefore, it is to be so transferred, it must remain under the Jurisdiction of the Company, and liable to all the disorders which are to be expected when the prestige of a Government long known to be inadequate, is shaken by the knowledge that it is also expiring, and by the appearance, however well intended, of its successor. This is not a state of things in which Her Majesty's Government ought to acquiesce if they have the power of preventing it.

16. The British Government is by the Act of Parliament practically invested with the power, and therefore the duty, of giving effect to what has been deliberately agreed upon between the Company and the Colony. If after all that has passed, the Company present their surrender, and claim its acceptance by Her Majesty, as a means of enabling them to enforce obligations which it is too late to repudiate, and for the fulfilment of which the Canadian Government has itself fixed a time, I do not see how it is possible for Her Majesty's Government to reject their application on the grounds put forward by your Ministers.

17. I am glad to see that they are doing what they can to assist in the restoration of order; and I should not have been surprised to learn that, while completing the transaction practically as between themselves and the Company, they were desirous of choosing their own moment for a public announcement of the change of Jurisdiction.

18. But while Her Majesty's Government would have been ready to acquiesce in any such short postponement of the formal act of transfer, they do not feel that they are at liberty to treat the transaction as capable of being re-opened, or that they can refuse an application from the Company to complete a transfer which appears to them not merely the only means of providing for the restoration of order, but also to be due as a matter of mere justice to one of the parties.

19. Her Majesty's Government have reason to believe that the Hudson's Bay Company feel it to be their interest, and it is their wish, to assist to the extent of their power the Government of the Dominion; and I have to instruct you to impress strongly upon your Ministers, the anxious desire of Her Majesty's Government to make the authority of the Queen available in their support.

Sir John Young, G.C.B., G.C.M.G.,
&c. &c. &c.

I have, &c.,

(Signed)

GRANVILLE.

No. 4.

No. 4.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir J. YOUNG, Bart., G.C.B., G.C.M.G.

9th December, 1869.

"You are at liberty to authorise Donald Smith to promulgate, as by order of the Queen,
"the whole or any part of the Proclamation I telegraphed to you."

RED RIVER SETTLEMENT.

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No. 5.

No. 5.

COPY of a DESPATCH from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 229.)

SIR,

Downing Street, 13th December, 1869.

I have the honour to acknowledge the receipt of your Despatch, No. 132,* of the 17th of November, forwarding copy of an approved Minute of the Privy Council of Canada, with reference to the preliminary instructions addressed to Mr. W. McDougall on proceeding to the North-West Territory.

* Page 2.

These instructions appear to be well-considered, and likely to attain their object if, after the transfer of the Territories has taken place, Mr. McDougall should execute them with his usual judgment.

I have, &c.,
(Signed) GRANVILLE.

Sir John Young, G.C.B., G.C.M.G.,
&c. &c. &c.

No. 6.

No. 6.

COPY of a DESPATCH from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 7.)

SIR,

Downing Street, 8th January, 1870.

I have the honour to acknowledge the receipt of your Despatches 134-147, and 164, noted in the margin, relating to the recent disturbances in the Red River Settlement. In the Despatch No. 156 you enclose the copy of a Minute of the Privy Council of Canada, conveying their views on the present position of the Canadian Government in regard to the transfer of the Hudson's Bay Company's Territories to Canada.

No. 134,
Nov. 25, 1869,
page 3.

No. 147,
Dec. 9, 1869,
page 29.

No. 148,
Dec. 11, 1869,
page 46.

No. 156,
Dec. 17, 1869,
page 52.

No. 164,
Dec. 23, 1869,
page 54.

I transmit to you, for your information, a copy of a Letter on this subject, which has been received from the Hudson's Bay Company, together with a copy of the Answer which I have caused to be returned to it.*

* Hudson's
Bay Company,
28th Dec.,
1869, page
186. Colonial
Office, 8th Jan.,
1870, page
189.

I observe with great satisfaction the anxiety manifested by the Canadian Government to avoid any collision with the Insurgents in the Red River Settlement, and to exhaust all means of explanation and conciliation before having recourse to force. I entirely agree with your Ministers that bloodshed might lead to the most deplorable consequences, and should not be risked except under the pressure of the most urgent necessity. The illness of Mr. McTavish is much to be lamented. But I have perfect confidence in the Hudson's Bay Company, and have no reason to doubt that their Officers in the Territory are animated by an equally friendly spirit with the Company.

A statement has appeared in a newspaper report, to the effect that Mr. McDougall was enlisting Sioux Indians, with the view of employing them against the Insurgents. I do not doubt that this intention was erroneously imputed to Mr. McDougall. If any apprehension on the subject had existed in my mind it would have been removed by the Minute of the Privy Council.

I have, &c.,
(Signed) GRANVILLE.

Sir John Young, G.C.B., G.C.M.G.,
&c. &c. &c.

CANADA.
No.

No. 7.

COPY of a DESPATCH from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 21.)
SIR,

Downing Street, 26th January, 1870.

No. 164,
Dec. 23, 1869,
page 54.
No. 4, Jan. 5,
1870, page 70.

I have received your Despatches, noted in the margin, relating to the progress of affairs in the Red River Settlement.

I never supposed, as you are aware, that Mr. McDougall intended to invoke the aid of the Indians. But I am glad to be assured that he never has done so. At the same time, I think it unfortunate, however difficult and embarrassing Mr. McDougall's position undoubtedly was, that any steps should have been taken which could give rise to such an apprehension.

I much more seriously regret the Proclamation put forth by Mr. McDougall, and the Commission issued by him to Colonel Dennis.

The Proclamation recited that Her Majesty has transferred Rupert's Land to Canada, which has not been done; assumes the Authority of Lieutenant-Governor, which did not legally belong to him; and purported to extinguish the powers belonging to Mr. McTavish, who is in fact the only legal Governor of the Territory.

A subsequent Commission empowered Colonel Dennis to arm those adhering to him, to attack, arrest, disarm, and disperse armed men disturbing the public peace, and to assault, fire upon, and break into houses in which these armed men were to be found.

If Colonel Dennis had acted on this, the most disastrous consequences might have ensued. As it is, Governor McTavish must suppose his authority extinguished, none other being substituted for it; and the discovery that the statements made in the Proclamation are unfounded in fact, must detract from the weight of any subsequent Proclamations.

These proceedings do not render Her Majesty's Government less desirous of the restoration of tranquillity under the authority of the Dominion. But they have certainly enhanced the responsibility of the Canadian Government, and added to the complications which I was afraid might arise from the delay in completing the surrender of Rupert's Land to the Dominion.

Jan. 21, 1870,
page 196.
Jan. 22, 1870,
page 198.

I enclose copies of two Letters which I have received from Sir S. Northcote. On the first of these, which relates to the political position of the Company, I shall not offer any observations. The results of the Mission of M. Thiebault, Colonel Salaberry, and Mr. Donald Smith, may afford the answer to be given to the questions which it raises.

On the second I am bound to state my opinion, that, considering all that has passed, the claim of the Company to interest on the purchase-money of their Territory from the 1st of last month appears to me a reasonable one.

Sir John Young, G.C.B., G.C.M.G.,
&c. &c. &c.

I have, &c.,
(Signed) GRANVILLE.

No. 8.

No. 8.

COPY of a DESPATCH from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.,

(No. 29.)
SIR,

Downing Street, 1st February, 1870.

* 25th Jan.,
1870, page
199.

I have the honour to transmit to you, for your information, a copy of a Letter * from the Governor of the Hudson's Bay Company, relating to the proceedings of the Insurgent "Riel" at Fort Garry.

Sir John Young, G.C.B., G.C.M.G.,
&c. &c. &c.

I have, &c.,
(Signed) GRANVILLE.

RED RIVER SETTLEMENT.

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CANADA.

No. 9.

No. 9.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart, G.C.B., G.C.M.G.

25th February, 1870.

"Hudson's Bay Company are anxious about the negotiations at Ottawa with the
"Delegates from Red River. The settlement would probably be facilitated if Northcote
"were with you with full powers entrusted him by Company. If so, what would be
"best time for his arrival?"

No. 10.

No. 10.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart, G.C.B., G.C.M.G.

5th March, 1870.

"Her Majesty's Government will give proposed military assistance, provided reason-
"able terms are granted Red River Settlers, and provided your Government enable
"Her Majesty's Government to proclaim the transfer of the Territory simultaneously
"with the movement of the Force."

No. 11.

No. 11.

COPY of a TELEGRAM from The EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

11th March, 1870.

"General Lindsay hopes to start on the 24th instant, and to reach Montreal about the
"7th April."

No. 12.

No. 12.

COPY of a TELEGRAM from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

17th March, 1870.

"Let me know by Telegram when you know Delegates have started from Fort
"Garry."

CANADA.

No. 13.

No. 13.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(Confidential.)

SIR,

Downing Street, 23rd March, 1870.

* Page 105.

I have the honour to acknowledge the receipt of your Despatch, marked * confidential, of the 17th of February, forwarding a copy of the Commission furnished to Mr. Donald Smith on his proceeding to Fort Garry, and also copy of a Letter which you had addressed to Bishop Taché.

I approve the steps which have been taken in this matter.

Sir John Young, Bart., G.C.B.,
&c. &c. &c.

I have, &c.,
(Signed)

GRANVILLE.

No. 14.

No. 14.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(Confidential.)

SIR,

Downing Street, 23rd March, 1870.

As the season approaches at which it will be possible to despatch troops to the Red River Settlement, I find myself embarrassed by the want of explicit information respecting the views of your Government on matters which ought to be decided before Her Majesty's Government takes part in such an expedition. Among these are: the time at which the Canadian Government will be prepared to take over the Hudson Bay Company's territory; the arrangements for governing it during the short interval between its surrender by the Company and its annexation to Canada; the time of its union with Canada; the apportionment of the cost of the expedition, if it should be found absolutely necessary to send one; and the arrangements for provisioning the Imperial Troops during the four months of their sojourn in the Red River Settlement. All these are matters on which misapprehension may exist, or differences arise; and I am very apprehensive lest, at a critical moment, Her Majesty's Government may be placed under the alternative of delaying an operation in which time is of paramount importance, or of refusing their assistance, or of giving that assistance without any assurance that what they hold to be its indispensable conditions are accepted by the Government of the Dominion.

The discussion of such questions cannot be conducted by telegram, and it would be too late to conduct them by Despatch, even if the information as yet received from you indicated the points to which I ought to address myself. It is therefore fortunate that I am able to communicate with you more fully than could be done by writing, through Sir Clinton Murdoch, the Chairman of the Emigration Board, who is about to proceed, at the Earl of Clarendon's request, to Washington, to negotiate a convention with the Government of the United States respecting the carriage of passengers, and has hastened his journey in order to be able to visit Ottawa on his way. While in America I have instructed him to obtain all the information he can concerning the working of the present regulations respecting emigration to Canada, and in particular concerning the free grant system, which is an object of considerable interest at present in this country. But I have also informed him unreservedly of the views of Her Majesty's Government in relation to the Red River Settlement; and I think that if, after free communication with him, you entertain any apprehension as to the conclusion of explicit and satisfactory arrangements, especially with regard to the questions to which I have above adverted, you will be at liberty to detain him at Ottawa until all such apprehensions are removed.

23rd March,
1870, p. 335.

I enclose the copy of a Letter which I have caused to be addressed to the War Office respecting the instructions to be given to Major-General Lindsay, who is proceeding to Canada to take command of the troops, and will leave England with Sir Clinton Murdoch, by the mail packet of the 24th instant.

Sir John Young, Bart., G.C.B.,
&c. &c. &c.

I have, &c.,
(Signed)

GRANVILLE.

RED RIVER SETTLEMENT,

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CANADA.

No. 15.

No. 15.

EXTRACT from a DESPATCH from the EARL GRANVILLE, K.G., to Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G., dated Downing Street, 2nd April, 1870. (Confidential.)

* * * * *

With regard to the conditions on which Imperial Troops may be allowed to cooperate with the Canadian force, in supporting order in that Settlement, I refer you to the Telegram which you have already received, and to the oral explanations which you will receive from Sir C. Murdoch, who is in possession of the views of Her Majesty's Government.

Subject to these conditions, the number of Imperial Troops sent may be 200 or 250 as General Lindsay shall think best. They must, however, be accompanied by such a Canadian force as will enable the Government of Red River to bring together in case of emergency at least 800 trained volunteers and militia, besides the Imperial Troops.

The expense fairly attaching to such British Contingent as may be sent will be borne by this country. The rest must be defrayed from the Canadian Exchequer. The working out of the details of this arrangement would necessarily have to be conducted on the spot.

No. 16.

No. 16.

COPY of a TELEGRAM from the EARL GRANVILLE, K.G., to Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

9th April, 1870.

"Let me know, as soon as you can, by Telegram, result of negotiations with Red River Delegates; and immediately whether our conditions as to time of transfer and apportionment of cost of troops are accepted by your Government."

No. 17.

No. 17.

COPY of a TELEGRAM from the EARL GRANVILLE, K.G., to Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

18th April, 1870.

"Was arrest of Delegates authorized by Canadian Government? Send full information by telegram."

No. 18.

No. 18.

COPY of a TELEGRAM from the EARL GRANVILLE, K.G., to Governor the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

"23rd April, 1870.

"On the following conditions Troops may advance :—

"1. Rose to be authorised to pay 300,000*l.* at once, and Her Majesty's Government to be at liberty to make transfer before end of June.

"2. Her Majesty's Government to pay expense of British troops only, not exceeding 250, and Canadian Government the rest, sending at least 500 trained men.

"3. Canadian Government to accept decision of Her Majesty's Government on all disputed points of the Settlers' Bill of Rights."

"4. Military arrangements to be to the satisfaction of General Lindsay."

CANADA.

No. 19.

No. 19.

COPY of a TELEGRAM (in cipher) from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

30th April, 1870.

"Your telegraphic proposal is accepted by Her Majesty's Government, provided
"Canadian Government accepts in other respect mine of 23rd, which ought to have
"been answered."

No. 20.

No. 20.

COPY of a TELEGRAM from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

May 6th, 1870.

"Troops may proceed. Who is in command of expedition; and what is name of
"Governor of the Territory?"

No. 21.

No. 21.

Sir John
Rose, May 4,
1870, page 221.

Colonial Of-
fice to Sir
Curtis Lamp-
son, May 5,
1870, page 213.

Hudson's Bay
Company,
May 7, 1870,
page 213.

Colonial Of-
fice to Sir
John Rose,
May 9, 1870,
page 222.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Right Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 111.)

SIR,

Downing Street, 10th May, 1870.

I have the honour to transmit to you the enclosed Copies of a Correspondence
between the Hudson's Bay Company, Sir John Rose, and this Department, respecting
the payment to the Company of the 300,000*l.* due on the transfer of the Company's
Territories to the Crown.

Sir John Young, Bart., G.C.B.,
&c. &c. &c.

I have, &c.,
(Signed) GRANVILLE.

No. 22.

No. 22.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 118.)

SIR,

Downing Street, 18th May, 1870.

* Pages 124
and 129.

I have the honour to acknowledge the receipt of your Despatches, Nos. 85 * and
87 of the 25th and 29th of April last, enclosing documents connected with the recent
disturbances in the Red River Territory.

I am glad to learn that the proceedings adopted against the Rev. Mr. Richot and Mr.
Scott were promptly disposed of and had not been renewed, and I take this opportunity
of expressing the satisfaction with which I have learned from your Telegram of the 3rd
instant that the Canadian Government and the Delegates have come to an understanding
as to the terms on which the Settlements on the Red River should be admitted into the
Dominion.

In giving an account of what has passed to the House of Lords, I had much pleasure
in acknowledging publicly the singular judgment, decision, and conciliation with which
your Government has acted since this unfortunate outbreak.

I have, &c.,
(Signed) GRANVILLE.

The Rt. Hon. Sir John Young, Bart, G.C.B., G.C.M.G.
&c. &c. &c.

RED RIVER SETTLEMENT.

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No. 23.

CANADA.

No. 23.

COPY of a DESPATCH from the EARL GRANVILLE, K.G.,
to The Rt. Hon. Sir JOHN YOUNG, G.C.B., G.C.M.G.

(No. 119.)

SIR,

Downing Street, 19th May, 1870.

I have received with much satisfaction your Telegram of the 13th instant,*
announcing that the Bill for the Government of the North-West Territory had passed,
sanctioning the conditions agreed upon with the Delegates from the Red River Settle-
ment.

* Page 161.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., K.C.G., G.C.M.G.

&c.

&c.

&c.

No. 24.

No. 24.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 120.)

SIR,

Downing Street, 19th May, 1870.

I have the honour to transmit to you the enclosed Copy of a Letter from the
Hudson's Bay Company, acknowledging the receipt of the sum of 300,000*l.* which has
been paid to the Company by Sir John Rose on account of the surrender of the
Company's territories in British North America, in pursuance of the authority received
from the Canadian Government.

11th May,
1870, page 211.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., G.C.B., G.C.M.G.,

&c.

&c.

&c.

No. 25.

No. 25.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 121.)

SIR,

Downing Street, 19th May, 1870.

I transmit to you, for your information, a Copy of a Correspondence with the
Hudson Bay Company on the subject of a suggestion made by Mr. Donald Smith that a
detachment of soldiers should be stationed at York Factory in Hudson's Bay.

Hudson's Bay
Company, 7th
May, 1870,
page 213.Colonial Of-
fice, 19th May,
1870, page 218.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., G.C.B., G.C.M.G.,

&c.

&c.

&c.

No. 26.

No. 26.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 127.)

SIR,

Downing Street, 25th May, 1870.

I have the honour to acknowledge the receipt of a Telegram received from you
on the 16th instant in the following words:—

"Mr. Archibald, of Nova Scotia, is to be Lieutenant-Governor of the North-West."*

* Page 161.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., G.C.B., G.C.M.G.,

&c.

&c.

&c.

CANADA.

No. 27.

Hudson's Bay
Company,
13th May,
1870, page 214.

Colonial Of-
fice, to Com-
pany, 17th
May, 1870,
page 218.

Hudson's Bay
Company,
20th May,
1870, page 219.

Colonial Of-
fice to Com-
pany, 26th
May, 1870,
page 219.

No. 27.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(No. 129.)

SIR,

Downing Street, 26th May, 1870.

I have the honour to transmit to you, for your information and for that of your Government, the enclosed Copies of a Correspondence which has passed between the Hudson's Bay Company and this Department respecting the despatch of stores to the Red River Settlement and the claim of the Company to indemnity in case of their suffering loss with respect to these stores owing to the disturbances in the Settlement.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., G.C.B., G.C.M.G.,

&c.

&c.

&c.

No. 28.

No. 28.

COPY of a DESPATCH from the EARL GRANVILLE, K.G., to Governor
the Rt. Hon. Sir JOHN YOUNG, Bart., G.C.B., G.C.M.G.

(Confidential.)

SIR,

Downing Street, 31st May, 1870.

* Page 131.

I have the honour to acknowledge the receipt of your Confidential * Despatch of the 5th instant, furnishing me with a full and valuable account of matters connected with the disturbances at the Red River Settlement.

I have read with much interest the reports of Mr. Smith and the Rev. Mr. Thibault, and am sensible of the advantage which the public has derived from the judicious and praiseworthy efforts of these gentlemen.

I have, &c.,

(Signed)

GRANVILLE.

The Rt. Hon. Sir John Young, Bart., G.C.B., G.C.M.G.,

&c.

&c.

&c.

CORRESPONDENCE

BETWEEN

The Colonial Office and the Hudson's Bay Company.

No. 1.

No. 1.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
the Right Hon. Sir STAFFORD NORTHCOTE, Bart.

SIR, Downing Street, 15th September, 1869.

I am directed by Earl Granville to transmit to you a copy of a Despatch* from the Governor-General of Canada with reference to a Telegram addressed to his Lordship, requesting that the date of the transfer of the Hudson's Bay Company should be fixed for the 1st December.

* No. 87,
Aug. 25, 1869,
page 1.

I am, &c.,
(Signed) FREDERIC ROGERS.

The Right Hon. Sir Stafford Northcote, Bart.

No. 2.

No. 2.

COPY of a LETTER from Sir C. LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR, Hudson's Bay House, London, 23rd November, 1869.

Referring to your Letter of the 15th September last,* addressed to the Governor of the Hudson's Bay Company conveying the desire of the Canadian Government that the date of the transfer by the Company to Her Majesty should be fixed for the 1st December, 1869, I now beg to inform you that the Deed of Transfer has received the Seal of the Company; and as the Committee have received an official communication from the Agents of the Canadian Government, that the 300,000*l.* will be deposited on the 30th inst. to be paid over to the Hudson's Bay Company on production of the Certificate of Her Majesty Principal Secretary of State for the Colonies that the surrender in question has been made, I now beg to trouble you with a counterpart of the transfer for execution by the proper authority, which the Company will be prepared to exchange whenever you are prepared, with a view to receiving the required Certificate of the surrender having been accepted by Her Majesty's Government.

* Above.

I have the honour to be, Sir,
Your most obedient servant,
(Signed) C. M. LAMPSON, Deputy-Governor.

Sir Frederic Rogers, Bart., K.C.M.G.

SIR, London, 17th November, 1869.

In answer to your Letter of yesterday, we have to inform you that we have received instructions, as financial Agents of the Government of Canada, to deposit on the

CANADA. 30th inst. to the credit of the Hudson's Bay Company a sum of 300,000*l.* to be paid over to the Company on the acceptance by Her Majesty's Government of the Surrender of Rupert's Land in terms of the recent Agreement between Her Majesty's Government the Government of Canada and the Hudson Bay Company, on production of the Certificate of Her Majesty's Principal Secretary of State for the Colonies that the Surrender in question has been made, and that the Hudson Bay Company is entitled to the money.

We shall be prepared to carry out these instructions.

We have the honour to be, Sir,

Your obedient Servants,

(Signed) **BARING BROTHERS & CO.**
GLYN, MILLS, CURRIE, & CO.

The Secretary of the Hudson Bay Company,
London.

No. 3.

No. 3.

EXTRACT from a LETTER from Sir CURTIS LAMPSON, Bart., to Sir FREDERIC ROGERS, Bart., K.C.M.G., dated Hudson's Bay House, London, 4th December, 1869.

* * * * *

* Page 181. My letter of the 23rd * ultimo will have acquainted you that the Seal of the Hudson's Bay Company has been affixed to the Surrender, in the form settled with your Department, and it only remains therefore for Her Majesty to signify Her acceptance of the same, and that a Certificate granted by the Secretary of State for the Colonies that such surrender has been made and accepted.

As the Hudson's Bay Company have received notice from the Agents of the Canadian Government that the money will be forthcoming on the production of such Certificate, I trust that no delay will take place in the acceptance of the Surrender, and the granting of the required Certificate, as it has been formally notified to the Shareholders of the Company that the transfer would be settled on the 1st of this month in pursuance of the suggestion contained in your Letter to Sir Stafford Northcote, dated the 15th of

† Page 181. September last.†

No. 4.

No. 4.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 8th December, 1869.

† Above.

I am directed by Earl Granville to acknowledge your Letter of the 4th inst.,† stating that the Hudson Bay Company have received notice from the Agents of the Canadian Government that the money to be paid to them on the surrender of their rights, will be forthcoming on the production of a Certificate that the Company's surrender had been accepted by the Queen, and expressing your trust that no delay will take place in the acceptance of the surrender.

You are aware, by personal communication with this Department, and also, his Lordship believes, by a Letter addressed to you by Mr. Rose, who is acting for Canada in this country, that in consequence of certain disturbances which have broken out in the Red River country, and which make it doubtful how soon the Canadian Government will obtain quiet possession of that country, he had received instructions to delay, and had in fact taken steps to delay for the present, the payment to you of the sum referred to in your Letter.

RED RIVER SETTLEMENT.

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Under these unexpected circumstances, Lord Granville has thought it necessary to consult the Law Officers on several questions which must seriously affect the course to be pursued by Her Majesty's Government.

CANADA.

Sir Curtis Lampson, Bart.

I have, &c.,
(Signed) **FREDERIC ROGERS.**

No. 5.

No. 5.

MEMORANDUM by SIR FRANCIS SANDFORD, dated 20th December, 1869.

Sir Curtis Lampson calls and leaves copy of Documents relating to Hudson Bay Company matters, which will be continued from time to time, in some form, so as to keep Lord Granville informed of what reaches the Company.

LIST of PAPERS left with SIR FRANCIS SANDFORD by SIR CURTIS LAMPSON.

1. Minutes of a Meeting of the Governor and Council of Assiniboia, 25th October, 1869.
2. Minutes of a Meeting of the Governor and Council of Assiniboia, 30th October, 1869.
3. Letter from Governor Mactavish to Hon. W. McDougall, C.B., 30th October, 1869.*
4. Letter from Hon. W. McDougall, C.B., to Governor Mactavish, 2nd November, 1869.†
5. Letter from Hon. W. McDougall, C.B., to Governor Mactavish, 4th November, 1869.‡
6. Letter from Governor Mactavish to Hon. W. McDougall, C.B., 9th November, 1869.§
7. Extract of Letter from Governor Mctavish to W. G. Smith, Esq., 16th November, 1869.

MINUTES of a MEETING of the Governor and Council of Assiniboine, held in the Court-room of Assiniboine on Monday the 25th October, 1869, at which the following Members were present, viz:—

JOHN BLACK, Esq., Acting Governor, President.

Right Rev. the LORD BISHOP of Rupert's Land, Councillor.

Andrew G. B. Bannatyne, Esq., do.

William Cowan, Esq., M.D., do.

Doctor Bird, do.

Thomas Bunn, Esq., do.

William Fraser, Esq., do.

John Sutherland, Esq., do.

Mr. Black stated that in consequence, as he very much regretted to say, of Governor McTavish's continued illness, he was again called upon to preside at the present Meeting of the Council.

The Minutes of the late Meeting having been read and approved, Mr. Black proceeded to say, that at their last Meeting, as the Council was aware, an Address had been prepared for the purpose of being presented to the Hon. William McDougall on his arrival in the Settlement—an event which was expected to take place at some very early date—that the Council, while preparing that Address, were impressed with the conviction that the feelings of welcome and loyalty therein expressed were concurred in by the Settlement generally, or, at least, were so far shared by the great majority of the people as to preclude all idea of open demonstrations of dissent; but he was much concerned now to say that, unhappily, such was not the case, and that a large party among the French population appeared to be animated by a very different spirit. It had become too evident that among them sentiments of a directly opposite nature prevailed with regard to the impending change in the

* Will be found in Governor's Despatch, No. 139, Nov. 27, 1869, page 16.

† Ibid, page 21.

§ Ibid, No. 147, Dec. 9, 1869, page 37.

† Ibid, page 21.

CANADA.

Government of the Country, and prevailed so strongly that, according to information lately received, and of the correctness of which there could be no doubt, they had organized themselves into armed bodies, for the purpose of intercepting Mr. McDougall on the road between this and Pembina, with the openly avowed intention of preventing his entrance into the Settlement. It was to consider that serious state of matters that the Council had been assembled, and to see whether any and what measures could be adopted to prevent the threatened outrage.

The Council unanimously expressed their indignant reprobation of the outrageous proceedings referred to by the President; but feeling strongly impressed with the idea that the parties concerned in them must be acting in utter forgetfulness, or even, perhaps, ignorance of the highly criminal character of their actions, and of the very serious consequences they involved, it was thought that by calm reasoning and advice they might be induced to abandon their dangerous schemes before they had irretrievably committed themselves. With this object in view, therefore, Mr. Riel and Mr. Bruce, who were known to hold leading positions in the party opposed to Mr. McDougall, had been invited to be present at this Meeting of the Council, and on being questioned by the Council as to the motives and intentions of the party they represented, Mr. Riel, who alone addressed the Council on the occasion, substantially said, in the course of a long and somewhat irregular discussion, that his party were perfectly satisfied with the present Government, and wanted no other; that they objected to any Governor coming from Canada without their being consulted in the matter; that they would never admit any Governor, no matter by whom he might be appointed, if not by the Hudson's Bay Company, unless Delegates were previously sent, with whom they might negotiate as to the terms and conditions under which they would acknowledge him; that they were uneducated, and only half civilised, and felt, if a large immigration were to take place, they would probably be crowded out of a country which they claimed as their own; that they knew that they were, in a sense, poor and insignificant, but that it was just because they were aware of their insignificance that they had felt so much at being treated as if they were more insignificant than they in reality were; that their existence, or, at least, their wishes, had been entirely ignored; that if Mr. McDougall were once here, most probably the English-speaking population would allow him to be installed in office as Governor, and then he would be "our Master or King," as he says, and that, therefore, they intended to send him back; that they consider that they are acting, not only for their own good, but for the good of the whole Settlement; that they did not feel that they were breaking any law, but were simply acting in defence of their own liberty; and that they were determined to prevent Mr. McDougall from coming into the Settlement at all hazards.

The Council endeavoured to convince Mr. Riel of the erroneous nature of the views held by himself and the party he represented, explained the highly criminal character of their proceedings, and pointed out the very disastrous consequences which might accrue, not only to themselves, but to the Settlement generally, if they persisted in their present course. He was earnestly advised to exercise his influence with his party in dissuading them from attempting to molest Mr. McDougall in any way, and inducing them to return peaceably to their homes, assuring him that, sooner or later, heavy retribution would fall upon them if they carried their plans into execution.

Mr. Riel, however, refused to adopt the views of the Council, and obstinately persisted in expressing his determination to oppose Mr. McDougall's entrance into the Settlement; declining even to press the reasoning and advice of the Council upon his party, although he reluctantly promised to repeat to them what he had just heard, and inform Governor Mactavish of the result by Thursday at 11 o'clock.

Mr. Riel and Mr. Bruce having retired, the Council resumed the consideration of the subject before them, and the expediency of calling out an armed force to meet and protect Mr. McDougall was suggested; but as it was seen that it would be from the English-speaking part of the community, that such a force, if forthcoming at all, would be chiefly drawn, the result would evidently be to bring into armed collision sections of the people who, although they have hitherto lived together in comparative harmony, yet differed from each other so widely in point of race, of language and religion, as well as general habits, that the commencement of actual hostilities between them would probably involve, not only themselves, but the surrounding Indians in a sanguinary and protracted struggle; and the Council, therefore, felt that, without a regular military force to fall back upon, they could hardly be held justified, under almost any circumstances, in resorting to an experiment so full of possible mischief to the whole Country.

The Council at length, having heard that a number of the more intelligent and influential among the French were not implicated in the hostile movement against Mr. McDougall, adopted the following Resolution which was moved by Mr. Bannatyne, and seconded by Mr. McBeath:—

That Messrs. Dease and Goulet be appointed immediately to collect as many of the more respectable of the French community as they could, and with them proceed to the camp of the party who intend to intercept Governor McDougall, and endeavour, if possible, to procure their peaceable dispersion; and that Mr. Dease report to Mr. MacTavish, on or before Thursday next, as to their success or otherwise.

The Council then adjourned.

MINUTES of a MEETING of the Governor and Council of Assiniboine, held on 30th October, 1869, at which the following Members were present:—

JOHN BLACK, Esq., Acting Governor, President.

The Right Rev. the LORD BISHOP of Rupert's Land, Councillor.	
Dr. Cowan,	do.
Andrew G. B. Bannatyne, Esq.,	do.
Doctor Bird,	do.
John Sutherland, Esq.,	do.
William Fraser, Esq.,	do.

The President, referring to the decision they had come to at the last Council, as to Mr. Dease proceeding with a number of his countrymen to the locality where were assembled the people who have been threatening to intercept the Honourable Mr. McDougall on his way to the Settlement, informed the Council that Mr. Dease's Mission had entirely failed in producing the desired result. Not only had that, and every other effort of a conciliatory character, proved fruitless in procuring the peaceable dispersion of the assemblage of malcontents, but they appeared to be even more fully bent upon their purpose. In these circumstances, and under the impression that Mr. McDougall had, in all probability, reached Pembina, the Governor believed that the time had fully come for entering into communication with Mr. McDougall on the subject; and in order that no time might be lost, should the Council see fit to coincide in that view of the matter, the President submitted for consideration the draft of a Letter from Governor Mactavish in the name of the Council.

After an earnest and careful consideration of the present position of affairs, the Council, on the motion of the Bishop of Rupert's Land, seconded by Mr. Sutherland—

Resolved that, in their opinion, a Letter should immediately be sent to Mr. McDougall, in accordance with the draft that had been agreed upon.

EXTRACT of a Letter from Governor MACTAVISH to W. G. SMITH, Esq., Secretary.

Fort Garry, Red River,
16th November, 1869.

"SIR,
"Since last writing you, on the 9th inst., I regret to say that there has been no improvement in the state of matters here. A body of armed Canadian half-breeds, under the orders of their leader, Louis Riel, still occupy this establishment; and, though the men generally are quiet and orderly, and evidently unwilling to give offence, it appears to me that Riel himself is not inclined to be so civil. A larger body of the same people still guard the highway to Pembina at La Rivière Salé, about ten miles above the Forks on the Red River, determined that neither Mr. McDougall nor any member of his Staff will get into the Settlement. Mr. McDougall still remains on the American side of the Frontier, at Pembina, waiting the course of events.

"Louis Riel yesterday sent me, on the part of the French-speaking section of the population, but signed only by himself, a protest against the Hudson's Bay Company maintaining near the Boundary Line of the Territory the Honourable William McDougall, and informing me that the Company's properties in this Country would be security for any troubles arising from Mr. McDougall's remaining there. This with the demand for the keys of two Bastions containing some muskets—which he made to Chief Trader Cowan some nights previously—would seem to show that he, at least, would proceed to considerable lengths; and I have no doubt that, if any hostile collision takes place, the Company's property elsewhere, as well as here, is in very great danger. Until that takes place, or that it is clearly seen that the disturbance is to be put down by force, I think hesitation on the part of the people will prevent any very extreme proceedings; even if the leaders wished for them, which—as there seems to be, at least, one Fenian in the movement, and he evident in close intimacy with Riel—may very well be the case.

"The person in question is Mr. O'Donoghue, who came here two years ago as a Schoolmaster for the Roman Catholic Mission, and who, for the last year has worn the Soutane, and given out that he was preparing for the Priesthood, but who has, since the outbreak, thrown off his dress and fairly joined the malcontents, and, as I am informed, made them believe he can procure for them Fenian assistance.

"The Leaders of the French half-breeds had, some time ago, invited the Protestant Parishes in the Settlement to send Delegates to meet those from the Roman Catholic Parishes, which was done, and the Delegates have met to-day to consider the state of the Country. Some are sanguine that this may end in some arrangement by which Mr. McDougall may be allowed to come here in safety; but I fear that this will not be agreed to by the French half-breeds on any conditions.

"However, I took the opportunity to send to the Meeting an Address to the people of Red River, showing the state of matters, and protesting against the actions of the malcontents. This I did, more to satisfy Mr. McDougall and most of the Members of the Council of Assiniboine, than from any hope that any good can come of it in so far as it concerns those whose acts are objected to.

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"I forward, herewith, for the information of the Governor and Committee, Copies of various Documents having reference to the troubles here, and to which I have referred, at various times, in my Correspondence, a list of which is enclosed.

"W. G. Smith, Esq., Secretary,
'&c. &c. &c."

"I have, &c.,
"(Signed) WM. MACTAVISH.

No. 6.

No. 6.

Copy of a LETTER from the Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P.,
to Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson's Bay House, London,
December 28, 1869.

SIR,

I am desired by the Committee of the Hudson's Bay Company to transmit to you, for the information of Earl Granville, copies of the several communications named in the accompanying list, some of which have been already privately forwarded to his Lordship.

The Committee regret extremely the unfortunate occurrences described by Mr. Mactavish. They are most anxious to co-operate with Her Majesty's Government in any measures which Earl Granville may think it expedient to adopt, with a view to the restoration of order and the settlement of the Territory. They sincerely trust that these objects may be attained without the employment of force, and above all without a collision between the different sections of the population of the Red River Settlement; feeling assured that the effects of any such collision would be very disastrous to the prosperity of the country. At the same time they desire me to express to Earl Granville their conviction that it is most undesirable to leave matters in their present undefined position. The Company's authority, which (as Lord Granville is aware) has long been exercised under a sense of difficulty, has been greatly weakened by the steps which have been taken for the transfer of the Country to the Dominion of Canada—a transfer which, according to the arrangements publicly and officially announced, ought to have been formally completed on the 1st instant. On the other hand the authority of the Dominion has not yet been established; and the announcement that the Dominion Government intend to withhold the purchase money—and therefore, of course, to abstain from accepting the responsibility of the Government, until the present troubles are at an end, must naturally deprive their action of any force.

The Committee cannot recognize in the circumstances which have occurred any reason for the Dominion Government delaying the performance of the engagement into which they have entered, under the sanction of Her Majesty's Government, with this Company; and they trust that Earl Granville will take measures for giving immediate effect to that engagement, formally placing the Settlement under the charge of the authority which must be responsible for its good government, and, at the same time, causing the stipulated price of the land to be handed over to the Company.

I have, &c.,

Sir Frederic Rogers, Bart., K.C.M.G., (Signed) STAFFORD H. NORTHCOTE,
&c. &c. &c. Governor.

LIST of ENCLOSURES referred to in Sir STAFFORD NORTHCOTE'S LETTER to Sir FREDERIC ROGERS,
K.C.M.G., dated London, 28th December, 1869.

Extract of a Letter from Governor Mactavish to the Secretary to the Hudson Bay Company, dated Fort Garry, Red River, 2nd November, 1869.

Copy of a Letter from Governor Mactavish, dated 9th November, 1869.

Extract of a Letter from Governor Mactavish, dated 23rd November, 1869, with a copy of his * Proclamation to the Inhabitants of Red River Settlement.

Extract of a Letter from Governor Mactavish to the Secretary of the Hudson Bay Company, dated Fort Garry, Red River, 16th November, 1869.

* Will be found enclosed in Governor's Despatch, No. 147, 9th Dec., 1869, page 45.

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Copy Minutes of Council of Assiniboia, held 25th October, 1869.

Copy Minutes, dated 30th October, 1869.

Copy Letter* from Governor Mactavish to the Hon. William McDougall, dated Fort Garry, 30th October, 1869.

Copy Letters † from the Hon. William McDougall to Mr. Mactavish, dated Pembina, the 2nd and 4th November, 1869.

Copy reply ‡ by the Letter dated Fort Garry, 9th November, 1869.

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* Will be found enclosed in Governor's Despatch, No. 139, Nov. 27, 1869, page 16.

† Will be found enclosed in Governor's Despatch, No. 139, Nov. 27, 1869, page 21.

‡ Will be found enclosed in Governor's Despatch, No. 147, 9th Dec., 1869, page 37.

EXTRACT of a LETTER from Governor MACTAVISH to W. G. SMITH, Secretary
of the Hudson's Bay Company.

Dated Fort Garry, Red River, 2nd November, 1869.

"There has been during the autumn considerable agitation among the Canadian half-breed population here, regarding the Government to be established here. They seem to have been fully, if not correctly, informed of how the Government was to be composed, and they seemed to think that, from what was told, their interests would be overlooked and their religion interfered with; but it appeared as if the course they meant to take was to await the arrival of the Honourable William McDougall, who, they understood, was coming here as Governor, and then endeavour to make such arrangements with him as would secure their rights and interests. But, about twelve days ago, a party of French half-breeds took possession of the road to Pembina, erected barriers at intervals, the head-quarters of the movement being at a spot named St. Norbert, about nine miles from Fort Garry. Their declared object was to interrupt the march of Mr. McDougall, and, to use their own expression, "to turn him back."

"At a meeting of the Council of Assiniboine, held on 25th ult., the question of the best means to be used in the emergency was fully debated. Messrs. Bruce and Riel, the heads of the French movement, were present, and the Council used all the arguments in their power to induce them to forego their designs of opposing the entrance of Mr. McDougall. They were, however, unavailing.

"After proper consideration, the Council agreed that, for various reasons, it would be unwise either to enrol a force of special constables or call out a counter demonstration of the inhabitants favourable to Mr. McDougall. I, however, communicated with the latter gentleman, acquainting him with the state of public feeling, and leaving it to his discretion to act as he might see fit.

"Yesterday, I was informed that Mr. Provencher, an official on the Staff of the new Government, had been stopped at St. Norbert and forced to return to Pembina, along with Captain Cameron, R.A., who had arrived at the barrier a few hours after the former.

"Governor McDougall himself had arrived at Pembina on the evening of the 30th ult. A party, consisting of less than fifty half-breeds, have come to meet him there. He ought on the evening of the 31st to have received a letter from me, copy of which I enclose, forwarded express per Colonel Dennis, who was to travel by an indirect route.

"As I close this Letter, a party of one hundred of the malcontents have arrived, and taken possession of Fort Garry, under pretext of defending it, as, from information in his possession, Mr. Riel alleges it is in danger. Guards are posted at each gate, and parade the platforms. They give assurances that nothing will be touched and nothing taken. For what provisions they require, they offer to pay in the name of the 'Council of the Republic of the Half-breeds.'

"About four hundred men continue on guard at St. Norbert. Outgoing and incoming mails are subjected to examination."

From Governor W. MACTAVISH to WILLIAM GREGORY SMITH, Esq., Secretary, Hudson's Bay House,
London.

Sir,

Fort Garry, Red River, 9th November, 1869.

I have the honour to inform you that I yesterday heard from the Honourable William McDougall, in reply to my Letter to him, copy of which was sent you with my Letter of 2nd instant. A copy of his Letters will be sent you hereafter; in the mean time I may say that Mr. McDougall does not seem to think I have acted energetically in the matter, and reminds me very pointedly that at present I am responsible for the peace of the country.

He mentions that on receiving at Pembina an intimation that he was not to proceed to the Settlement, he had gone to the Company's establishment at Pembina, where he remained till he was ordered to withdraw within American Territory by an armed band of half-breed horsemen, and that, in consequence, he was, when he wrote me, camped on American Territory, where he would remain till he heard from me the result of the efforts made here to open the road to the Settlement, or till I informed him that I considered his remaining longer at Pembina useless, which is, in my opinion, a point on which I cannot advise Mr. McDougall, though I feel convinced that at present his entry into this Settlement would lead to more serious difficulties than those to which we are at present exposed. Mr. McDougall refers to "Military and other arrangements" which arise out of the outrage to which he has been subjected.

Here matters remain much as they were. The Committee seem to be in constant session, but

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nothing is heard of them till the Secretary, Louis Riel, issues his Manifestoes, "by order." The idea of their organisation seems to have been taken from the plan used to distribute the relief supplies last winter, each Canadian parish having sent a Delegate to form the Central Committee; and in an invitation issued this morning to the Protestant part of the community, delegates are requested to meet the twelve members of the Committee already formed from the Roman Catholic parishes in council. Here the same plan is adhered to, and the Protestant parishes are named, the object of the proposed meeting being, "Since the Invader is driven from our soil," to consult on the state of the country and the government to be adopted. The position is undoubtedly serious, and the case will require very careful handling, as any collision between parties will lead to the plain Indians being brought down on the Settlement next spring, as well as disturbances over all the Plain districts, which will not be put down for years, long before which the whole business of the country will have been destroyed.

William Gregory Smith, Esq.

I have, &c.,
(Signed)

W. MACTAVISH.

EXTRACT of LETTER from Governor MACTAVISH to W. G. SMITH, Esq., Secretary.

Dated Fort Garry, Red River, 23rd November, 1869.

"Since I last wrote you the Delegates from the parishes in the Settlement have had several meetings, and are again assembled to-day. Up to yesterday evening the only point made out was that the French party declared that Mr. McDougall could only be brought into the Settlement over their dead bodies, and this was said in reply to a proposal on the part of the English Delegates that Mr. McDougall should come in after making some concessions as regarded the representation of the people in his Council. It is expected that some conclusion will be arrived at to-day; but I rather think the French party will only agree to the appointment of a Provisional Government.

"Early this morning Louis Riel, the leader of the French half-breeds, requested Mr. John H. Matcavish, the Accountant here, to come over to the office; and on Mr. Mactavish going there, Riel, accompanied by a number of armed men, called on him to give up the public accounts. This he refused to do, on which Riel told him he would be compelled by force to do so. It ended in Riel taking possession of the Land Register, the book in which the account of the Governor and Council of Assiniboine with the Fur Trade was kept, and the Cash Blotter, no doubt with a view to making out the balance of the Colonial Public Funds with the Fur Trade, for the purpose of demanding it to be paid over.

"Riel was careful to let Mr. Mactavish understand that there was not only no desire to meddle with private funds, but every desire to respect them; but how far this resolution will be carried out it is very difficult to say, though at the time it was made I have no doubt it was sincere.

"I have not, since writing you, heard directly from Mr. McDougall; but he is still at Pembina. I enclose copy of Proclamation issued by me to the people of Red River."

No. 7.

No. 7.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.Hudson Bay House, London,
January 4th, 1870.

SIR,

* Page 186.

With reference to Sir Stafford Northcote's Letter of the 28th ultimo,* I have the honour to transmit, for the information of Lord Granville, the accompanying copy of a Communication from Governor Mactavish, dated Fort Garry, November 30th, on the subject of the present disturbed state of matters at Red River Settlement.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.I have, &c.,
(Signed)C. M. LAMPSON,
Deputy Governor.Enclosure in
No. 7.

Enclosure No. 7.

Governor MACTAVISH to W. G. SMITH, Esq., Secretary, Hudson Bay House, London.

SIR,

Fort Garry, Red River, 30th November, 1869.

Since writing you on the 23rd instant, there has been little change in the state of matters here. The Meeting of Delegates from the Parishes adjourned on the 23rd till to-morrow, the 1st of

December; on the French Delegates proposing, or, rather insisting on, a Provisional Government. Some expect that the matter will be arranged to-morrow, that the present Government should continue to act, but I doubt very much if the Roman Catholic Delegates will not insist on the Provisional Government, which they evidently think will be the best for securing to the people of the Settlement representation in the Government.

I have little doubt that, when to-morrow was named for the meeting of the Delegates, it was thought that the Royal Proclamation would have been here, and the Governor and Council of Assiniboia superseded, and from Mr. McDougall not being in the Territory, that there would be no Government, and, in consequence, the ground would be clear for them to form a new Government. To-morrow will probably lead to some result, but whether satisfactory or not, it is very difficult to say. I rather fear it will lead to a collision between the two sections of the Settlement, which has been avoided hitherto only by the greatest forbearance.

The Hon. William McDougall is still at Pembina, and, I think, intends coming into the Settlement as soon as the day comes on which he is authorized to assume the Government of the country. He wrote me stating that he was informed by some of the Canadians here, that some Government provisions, stored in Dr. Schultz's warehouse, was threatened to be seized by the Canadian half-breeds, and calling upon me to protect it in Dr. Schultz's Store, or get it removed to a place of safety. As Mr. Grant, who has charge of the provisions, preferred to have a guard of policemen set over it, I have put eight men to watch it, but I fear it may be the cause ultimately of a collision, which, as the people in the Settlement are a good deal excited at present, would no doubt be serious.

W. G. Smith, Esq.,
&c. &c. &c.

I have, &c.,
(Signed)

W. MACTAVISH.

No. 8.

No. 8.

COPY of a LETTER from Sir FREDERICK ROGERS, Bart., K.C.M.G., to the Right Hon.
Sir STAFFORD H. NORTHGOTE, Bart., M.P.

SIR,

Downing Street, 8th January, 1870.

* I am directed by Earl Granville to acknowledge the receipt of your Letter of the 28th of December, relating to the disturbances which have occurred in the Red River Settlement, and urging that the arrangements for the transfer of the Territories may proceed, and the stipulated price be paid over to the Hudson Bay Company without delay.

* Page 186.

Lord Granville desires me to inform you that he has lately received from the Governor-General of Canada a Minute of the Privy Council of the Dominion, conveying the expression of their views on the present position of the Canadian Government in regard to this question.

In this Minute the Canadian Government repeat the expression of their desire to acquire the Territory, and of their readiness to perform all the obligations incurred by Canada under the recent arrangements for the completion of the transfer. They urge a temporary delay in proceeding with the transfer, from a conviction of the gravity of the present situation, and not from any desire to repudiate or postpone the performance of any of their engagements. They submit that the Government of the Company, which the Inhabitants have been accustomed to respect, should be continued while steps are being taken to remove the misapprehensions which exist, and to reconcile the people to the change.

They point out that any hasty attempt by the Canadian Government to force their rule on the Insurgents might lead to bloodshed, and sow an ineradicable hatred to the union of the Countries, and thus mar the further prosperity of British North America. And they represent that even were the purchase money paid over to the Company at once, it would not the less remain impolitic to put an end to the only existing Authority in the country, and compel Canada to assert her title by force.

They inform Lord Granville that they are taking active measures to bring about a happier state of affairs. They have sent on a mission of peace to the French half-breeds now in arms, the Very Rev. Mr. Thiebault, Vicar-General (who has laboured as a clergyman among them for thirty-nine years), and also Colonel de Salaberry, a gentleman well acquainted with the country, and with the manners and feelings of the inhabitants. They have also sent Mr. Donald A. Smith, the Chief Agent of the Hudson's Bay Company at Montreal, as a Special Commissioner. From his position as an Officer of the Company, the Committee anticipate that he will obtain ready access to Fort Garry,

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and that he will be able to strengthen the hands of Governor Mactavish, and arrange with the loyal and well affected portion of the people for a restoration of order. The Committee express their confident hope that these measures will succeed; but in the event of failure, the Canadian Government are making preparations for sending a Military Force in the early spring.

Lord Granville desires me to add, that the reasons given by the Canadian Government for delaying the transfer, weighty in themselves, become practically conclusive, when it is considered that Her Majesty's Government and the Hudson Bay Company must alike look to that Government for the practical accomplishment of the transfer, and that they appear in fact to be conducting it in the spirit which Her Majesty's Government approve, and which is most calculated to avoid that injury to the trade of the Company which Mr. Mactavish anticipates from any violent measures.

Lord Granville moreover learns from the Law Officers of the Crown, that, although it would be competent to Her Majesty's Government to complete the transfer, by accepting the surrender of the Company, and issuing the requisite Order in Council, yet this acceptance would not place the Company in a position to obtain by any legal process the sum of £300,000, recently deposited by Mr. Rose, for the purpose of being available for their payment. And considering that, even after the surrender is completed, questions may possibly arise, or further arrangements may have to be made between the Hudson Bay Company and the Canadian Government, his Lordship believes that a short delay in the completion of the contract, however in itself inconvenient, may be more than compensated by ensuring that the surrender is finally effected with the full consent and agreement of both parties interested.

I have, &c.,

(Signed)

FREDERIC ROGERS.

The Right Hon. Sir Stafford Northcote, Bart., M.P.,
&c. &c. &c.

No. 9.

No. 9.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart, to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
15th January, 1870.

SIR,

In the absence of Sir Stafford Northcote, I have the honour to transmit to you herewith, for the information of Lord Granville, the accompanying Copy of a Letter which has just been received from Governor Mactavish, dated Fort Garry, the 11th of December, with copies of sundry Documents therein referred to, on the subject of the present state of affairs at Red River Settlement.

I have, &c.,

(Signed)

C. M. LAMPSON,
Deputy-Governor.

Sir Frederic Rogers, Bart., K.C.M.G.

Enclosures in
No. 9.

Enclosure in No. 9.

From Governor W. MACTAVISH, to WILLIAM GREGORY SMITH, Esq., Secretary,
Hudson Bay House, London.

SIR,

Fort Garry, Red River, 11th December, 1869.

Since writing you on the 30th ultimo I am sorry to say that the state of affairs here has shown no improvement.

On the 1st instant the Proclamation of the transfer of the Territory to Canada was published here. It was brought to the Settlement by Colonel Dennis, who was likewise authorized, by a Commission from Lieutenant-Governor McDougall, to raise a force in the Settlement to put down the party who had taken up arms here against the Canadian Government. Colonel Dennis, in virtue of this

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Commission, took possession of Lower Fort Garry and commenced organising a force, but has since suspended the movement to give an opportunity to the Insurgents to treat with Governor McDougall.

I send you Copy of Colonel Dennis's Commission, with his call on the loyal inhabitants appended, as well as of his subsequent order to stop the movement. I have also been informed that Lieutenant-Governor McDougall has issued another Proclamation retaining in their offices all officials in the Settlement under the former Government, with the exception, of course, of myself. I being relieved of the office of Governor, the duty will, I suppose, for the present, be attended to by Colonel Dennis, who, in the Commission above alluded to, is named Lieutenant and Conservator of the Peace.

When Louis Riel, with a party of armed men, first occupied this establishment, Doctor Cowan, under protest, supplied them with daily food, under the belief that if they once commenced to break into stores to supply their wants there would be no end to it. I did not agree on this subject, but, as the arrangement was made, I thought it better to follow the course agreed on for a time; but, so soon as I was able to speak to them, I got the leaders together, and pointed out to them that to persevere in the course they had taken was ruin to themselves, and ordered them to leave this establishment, refusing to allow anything whatever to be supplied them from the Stores. At a Meeting held afterwards by them on this subject, I am told the Rev. M. Richot, one of the Roman Catholic priests here, urged them to hold out, alleging that their case was already before the Canadians, that the Ministry would fall, and that the demands of the Red River people would be granted and their rights secured. They decided on not dispersing, and, after some hesitation, broke open one of our Stores and took provisions and some bags of ball out of it. Subsequently Riel entered the shop and took about ten common Indian guns which were there, and on the following day he broke into another Store, and took seven Indian guns from it. Since then he has cleared all the Stores of the merchants in the village of Winnipeg of all their guns and ammunition.

A number of Canadians in the neighbourhood, on hearing that Colonel Dennis was enrolling men, went to the Lower Fort to see him, and were enrolled, but were ordered by Colonel Dennis to return and hold themselves in readiness, when called on, to join him. It appears they collected, to the number of sixty men, in Doctor Schultz's house. Riel placed a number of men to watch them, and, after some time, all gave themselves up without a shot being fired, and were, along with some women and children who were with them, made prisoners, and are still held as such by Riel.

While this was going on a party of forty armed men were sent to Pembina to drive Governor McDougall out of the Territory, a report that he had returned to the Company's establishment having spread. This party, however, returned last night, and report that Mr. McDougall was still across the Boundary Line, but that some of the half-breeds on the American side had determined to drive him off; and I am told that an American citizen at Pembina had laid an information against Mr. McDougall of having recruited and executed plans within American Territory against a friendly people.

Yesterday the party hoisted a flag, which was saluted with much formality. About sixty of the scholars of the Roman Catholic Seminary here, conducted by a Roman Catholic priest, assisted at the ceremony. This party has published a List of the "Rights" which they demand from Canada, and a Declaration which purports to be made on the part of the people of Rupert's Land and the North-West. But, of course, the great majority of the inhabitants have not authorised either Bruce or Riel to act for them, and, in point of fact, the great bulk of them object to the means used to enforce their rights. I send enclosed a French copy of the Declaration, and will, as soon as I can get a copy, send you the "List of Rights."

I confess that circumstances make me more doubtful about the settlement of this most vexatious affair than I was, as, if the mischief remains working till spring, the country will be overrun by a lawless horde of sympathisers from Minnesota and Dakota, who, under the pretence of aiding, will assume the direction of the movement, and will pay but little respect to the rights of half-breeds or others in the Territory.

W. G. Smith, Esq.

I have, &c.,
(Signed)

W. MACTAVISH.

THE NORTH-WEST TERRITORY.

PROCLAMATION.

By His Excellency the Honourable WILLIAM McDOUGALL, a Member of Her Majesty's Privy Council of Canada, and Companion of the Most Honourable Order of the Bath, Lieutenant-Governor of the North-West Territories, &c.

To all to whom these shall come

GREETING :

Whereas HER MAJESTY THE QUEEN, by Letters Patent under the Great Seal of the Dominion of Canada, bearing date the twenty-ninth day of September, in the year of our Lord one thousand eight hundred and sixty-nine, in the thirty-third year of Her Majesty's reign, has been graciously pleased to constitute and appoint me, on, from and after the day to be named by Her Majesty for the admission of Rupert's Land and the North-Western Territory into the Union or Dominion of Canada, to be

CANADA.

Lieutenant-Governor in and over the North-West Territories during Her Majesty's pleasure, and did thereby authorize and empower, and require and command me, on, from and after the day aforesaid, to do and execute all things in due manner that shall belong to my said Command and the trust reposed in me, according to the several powers and instructions granted or appointed me by that Her Majesty's Commission and the Act of Parliament passed in the thirty-second year of Her Majesty's reign, intituled "An Act for the Temporary Government of Rupert's Land and the North-Western Territory when "United with Canada," and the instructions given me with such Commission, or by such further instructions as may hereafter be given in respect of the North-West Territories and the government thereof by Her Majesty's Governor-General in Council, under the Sign Manual, or through one of Her Majesty's Privy Council of Canada, according to such laws as are now and shall hereafter be in force within the said North-West Territories.

And whereas Her Majesty has declared and named the first day of December instant as the day for the admission of Rupert's Land and the North-Western Territory into the Union and Dominion of Canada; and whereas by virtue and in pursuance of "The British North American Act of 1867," "The Rupert's Land Act of 1868," the said "Act for the temporary Government of Rupert's Land and the North-Western Territory, when United with Canada," and the said Declaration and Order of Her Majesty, Rupert's Land and the North-Western Territory have been admitted into union with, and have now become part of the Dominion of Canada, and are henceforth to be known as the North-West Territories.

Now know ye that I have thought fit to issue this Proclamation to make known Her Majesty's said Appointment to all Officers, Magistrates, Ministers and Subjects of Her Majesty, and others within the said the North-West Territories, and I do hereby require and command that all and singular the Public Officers and Functionaries holding office in Rupert's Land and the North-Western Territory at the time of their admission into the Union as aforesaid, excepting the Public Officer or Functionary at the head of the administration of affairs, do continue in the execution of their several and respective offices, duties, places, and employments, until otherwise ordered by me under the authority of the said last-mentioned Act; and I do hereby further require and command that all Her Majesty's loving subjects, and all others whom it may concern, do take notice hereof and govern themselves accordingly.

Given under my hand and Seal at Arms at Red River, in the said Territories, the second day of December, in the year of our Lord One thousand eight hundred and sixty-nine, and in the Thirty-third Year of Her Majesty's Reign.

(Signed) WILLIAM McDUGALL.

By Command,

(Signed)

J. A. N. PROVENCHER, Secretary

DECLARATION

DES HABITANTS DE LA TERRE DE RUPERT ET DU NORD-OUEST.

Il est admis que, dans toute société, l'autorité publique est inviolable. Et il est reconnu qu'une population, qui n'a aucune sorte de gouvernement est maîtresse d'adopter une forme de gouvernement plutôt qu'une autre, de refuser ou d'accepter celle qui lui est proposée. Conformément au premier principe, le peuple de la Terre de Rupert et du Nord-Ouest supportait et respectait l'autorité qu'il dut accepter, à cause des circonstances particulières qui avaient entouré son berceau.

Une compagnie d'aventuriers, connue sous le nom d'Honorable Compagnie de la Baie d'Hudson, et revêtue de certains pouvoirs par Sa Majesté le Roi Charles II., vint s'établir dans la Terre de Rupert et dans le Nord-Ouest, pour y faire la traite. Cette Compagnie avait besoin d'une constitution; mais comme il s'agissait de commerce, cette constitution s'y rapportait surtout. Cependant, comme il n'y avait alors aucun gouvernement qui s'occupât des intérêts du peuple, déjà établi dans le pays, besoin lui fut de recourir pour les affaires judiciaires aux officiers de cette Compagnie: de là l'origine du gouvernement qui, s'étant un peu modifié avec les circonstances, a régi le pays jusqu'à cette époque. Ce gouvernement ainsi admis, était loin de répondre aux besoins de la population actuelle qui, à force d'énergie et de dévouement, s'est développée, s'est accrue et s'est élevée au point de mériter, à cause de son nombre, de sa civilisation et de son commerce, une place parmi les Colonies.

Toujours mu par les principes émis plus haut, le peuple de la Terre de Rupert et du Nord-Ouest supportait généreusement le sous-dit gouvernement et lui obéissait fidèlement, lorsque, contre le droit des gens, en mars 1869, ce gouvernement abandonna et transporta au Canada, par des transactions qu'il n'a pas même daigné communiquer à son peuple, tous les droits qu'il avait ou qu'il prétendait avoir dans le pays.

Il est aussi admis qu'un peuple peut adopter la forme de gouvernement qu'il lui plaît, quand la puissance à laquelle il était soumis, l'abandonne ou l'assujettit, contre son gré, à une puissance étrangère; et que de plus, en l'assujettissant ainsi, elle ne transfère aucun droit à la puissance à laquelle elle le soumet.

Nous, les Représentants élus par le peuple, réunis en Conseil au Fort Garry, après avoir invoqué le Dieu des nations, appuyés sur ces principes fondamentaux de morale, Déclarons solennellement au nom de nos constituants et en nos propres noms, devant Dieu et devant les hommes—

1°. Que du jour où le gouvernement, que nous avons toujours respecté, nous a abandonnés en trans-

férant à une puissance étrangère l'autorité sacrée qui lui avait été confiée, nous devenons libres et dégagés de toute obéissance à son égard : et que la seule autorité légitime aujourd'hui dans la Terre de Rupert et du Nord-Ouest est l'autorité provisionnement accordée par le peuple à nous ses Représentants, ce vingt-quatrième jour de novembre, mil huit cent soixante-neuf.

2°. Que nous refusons de reconnaître l'autorité du Canada qui prétend avoir droit de venir nous imposer une forme de gouvernement despotique, encore plus contraire à nos droits et à nos intérêts que ne l'a été le gouvernement à quel nous étions soumis par nécessité jusqu'à ces derniers temps.

3°. Que le 1^{er} novembre dernier, en déléguant une expédition chargée de reconduire au-delà des bornes de notre pays le Sieur William McDougall et ses compagnons, s'avancant sur nos terres, au nom du Canada, malgré une défense à lui intimée par nous et sans même une notification préalable de sa part, pour venir gouverner en despote, nous n'avons fait qu'agir conformément au droit sacré que tout citoyen a de s'opposer énergiquement à l'asservissement de sa patrie.

4°. Que nous continuerons à nous opposer de toutes nos forces à l'entrée du gouvernement du Canada dans notre pays, sous la forme énoncée, et en cas de persistance de sa part à venir nous troubler avec la force armée, nous protestons d'avance contre ces actes injustes, et le déclarons responsable, devant Dieu et devant les peuples, des malheurs incalculables qui seraient la suite de son ambition. Qu'il sache qu'avant de voir asservir notre patrie, nous saurons tirer parti des moyens de défense que la Providence nous a mis entre les mains ; et que ce n'est pas pour la voir envahie par des étrangers, que nous l'avons tant de fois défendue au prix de notre sang, contre les hordes de barbares, devenus aujourd'hui nos amis et nos alliés.

5°. Que cependant, la puissance du Canada nous trouvera toujours prêts à entrer avec elle dans des négociations favorables à son agrandissement et à notre prospérité.

À l'appui de ces déclarations et pour la conservation de la paix, des propriétés et des personnes, comptant sur la Divine Providence, nous engageons par serment nos vies, nos fortunes et notre honneur.

Donné au Fort Garry, ce huitième jour de décembre mil huit cent soixante-neuf.

(Signée)

JOHN BRUCE, Président.

LOUIS RIEL, Secrétaire.

LIST OF RIGHTS.

1. That the people have the right to elect their own Legislature.
 2. That the Legislature have the power to pass all Laws local to the Territory, over the *veto* of the Executive, by a two-thirds vote.
 3. That no Act of the Dominion Parliament (local to the Territory) be binding on the people until sanctioned by the Legislature of the Territory.
 4. That all Sheriffs, Magistrates, Constables, School Commissioners, &c., be elected by the people.
 5. A free Homestead and pre-emption Land Laws.
 6. That a portion of the public Lands be appropriated to the benefit of Schools, the building of Bridges, Roads, and public Buildings.
 7. That it be guaranteed to connect Winnipeg by Rail with the nearest line of Railroad, within a term of five years ; the Land Grant to be subject to the Local Legislature.
 8. That for the term of four years all Military, Civil, and Municipal Expenses be paid out of the Dominion Funds.
 9. That the Military be composed of the Inhabitants now existing in the Territory.
 10. That the English and French languages be common in the Legislature and Courts ; and that all public Documents and Acts of the Legislature be published in both languages.
 11. That the Judge of the Supreme Court speak the English and French languages.
 12. That Treaties be concluded and ratified between the Dominion Government and the several Tribes of Indians in the Territory, to ensure peace on the Frontier.
 13. That we have a fair and full representation in the Canadian Parliament.
 14. That all privileges, customs, and usages existing at the time of the transfer be respected.
- All the above Articles have been severally discussed and adopted by the French and English Representatives, without a dissenting voice, as the Conditions upon which the people of Rupert's Land enter into Confederation.

The French Representatives then proposed, in order to secure the above Rights, that a Delegation be appointed, and sent to Pembina to see Mr. McDougall, and ask him if he could guarantee these Rights by virtue of his Commission ; and if he could do so, that then the French people would join to a man to escort Mr. McDougall into his Government-seat. But, on the contrary, if Mr. McDougall could not guarantee such Rights, that the Delegates request him to remain where he is, or return till the Rights be guaranteed by Act of the Canadian Parliament.

The English Representatives refused to appoint Delegates to go to Pembina, to consult with Mr. McDougall, stating that they had no authority to do so from their constituents, upon which the Council was dissolved.

The Meeting, at which the above Resolutions were adopted, was held at Fort Garry, on Wednesday, December 1, 1869.

Winnipeg, December 4, 1869.

CANADA.

THE NORTH-WEST TERRITORIES.

(L. S.) By His Excellency the Honourable WILLIAM McDUGALL, a Member of our Privy Council for Canada, and Companion of our Most Honourable Order of the Bath, Lieutenant-Governor of the North-West Territories:

To JOHN STOUGHTON DENNIS, Esquire, Lieutenant-Colonel Militia Staff, Canada, Greeting:

Whereas large bodies of armed men have unlawfully assembled on the high road between Fort Garry and Pembina, in the Colony or District of Assiniboia, and have with force and arms arrested and held as prisoners numerous private and official persons, and prevented them from proceeding on their lawful journey and business, and have committed other acts of lawless violence, in contempt and defiance of the Magistrates and Local Authorities.

And whereas William Mactavish, Esquire, Governor of Assiniboia, did on the sixteenth day of November last, publish and make known to those armed men and all others whom it might concern, that the lawless acts aforesaid, and which were particularly set forth in his Proclamation, were "contrary to the remonstrances and protests of the Public Authorities," and did therein himself protest against each and all of the said unlawful acts and intents; and charged and commanded the said armed persons to immediately disperse themselves, and peaceably to depart to their habitations or lawful business, under the pains and penalties of the Law.

And whereas, since the issue of the said Protest or Proclamation, certain armed men aforesaid have taken possession of the public Records and Papers at Fort Garry, and have seized and held as prisoners public Officers or persons having charge of the same; and, as I am credibly informed, still keep unlawful possession of the said Records and public Property, and with force of arms continue to obstruct public Officers and others in the performance of their lawful duty and business, to the great terror, loss, and injury of Her Majesty's peaceable subjects, and in contempt of her Royal Authority.

And whereas Her Majesty by Letters Patent, under the Great Seal of the Dominion of Canada, bearing date the twenty-ninth day of September, in the year of our Lord one thousand eight hundred and sixty-nine, has been graciously pleased to appoint me to be, from and after the first day of December instant, Lieutenant-Governor of the North-West Territories, and did thereby authorise and command me to do and execute all things in due manner that should belong to my said Command:

Know you, that reposing trust and confidence in your courage, loyalty, fidelity, discretion, and ability, and under and by virtue of the authority in me vested, I have nominated and appointed, and by these Presents do nominate and appoint you, the said John Stoughton Dennis, to be my Lieutenant and a Conservator of the Peace in and for the North-West Territories; and, as such, to raise, organize, arm, equip, and provision a sufficient Force within the said Territories; and, with the said Force, to attack, arrest, disarm, or disperse the said armed men so unlawfully assembled and disturbing the public peace; and for that purpose, and with the Force aforesaid, to assault, fire upon, pull down, or break into any Fort, House, Stronghold, or other place in which the said armed men may be found; and I hereby authorise you, as such Lieutenant and Conservator of the Peace, to hire, purchase, impress, and take all necessary clothing, arms, ammunition and supplies, and all cattle, horses, waggons, sleighs, or other vehicles which may be required for the use of the Force to be raised as aforesaid; and I further authorise you to appoint as many Officers and Deputies under you, and to give them such orders and instructions from time to time, as may be found necessary for the due performance of the service herewith required of you, reporting to me the said appointments and orders, as you shall find opportunity, for confirmation or otherwise; and I hereby give you full power and authority to call upon all Magistrates and Peace Officers to aid and assist you, and to order all or any of the inhabitants of the said North-West Territories, in the name of Her Majesty the Queen, to support and assist you in protecting the lives and property of Her Majesty's loyal subjects, and in preserving the public peace; and for that purpose to take, disperse, or overcome by force the said armed men, and all others who may be found aiding or abetting them in their unlawful acts.

And the said persons, so called upon in Her Majesty's name, are hereby ordered and enjoined at their peril to obey your orders and directions in that behalf; and this shall be sufficient Warrant for what you or they may do in the premises, so long as this Commission remains in force.

Given under my Hand and Seal at Arms, at Red River, in the said Territories, this first day of December, in the year of our Lord one thousand eight hundred and sixty-nine, and in the thirty-third year of our reign.

(Signed) WILLIAM McDUGALL.
(By command) J. A. N. PROVENCHER, Secretary.

By virtue of the above Commission from the Lieutenant-Governor, I now hereby call on and order all loyal men of the North-West Territories to assist me by every means in their power to carry out the same, and thereby uphold the supremacy of the Queen in this part of Her Majesty's Dominions.

Given under my hand at the Stone Fort, Lower Settlement, this 6th day of December, in the year of our Lord one thousand eight hundred and sixty-nine.

(Signed) J. S. DENNIS,
Lieutenant and Conservator of the Peace in and
for the North-West Territories.

RED RIVER SETTLEMENT.

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TO ALL WHOM IT MAY CONCERN.

CANADA.

Lower Fort Garry, Red River Settlement, December 9th, 1869.

By certain printed papers of late put in circulation by the French party, communication with the Lieutenant-Governor is indicated with a view to laying before him alleged rights on the part of those now in arms.

I think that course very desirable, and that it would lead to good results.

Under the belief that the party in arms are sincere in their desire for peace, and feeling that to abandon for the present the call on the loyal to arms, would, in view of such communication, relieve the situation of much embarrassment, and so contribute to bring about peace and save the country from what will otherwise end in ruin and desolation, I now call on and order the loyal party in the North-West Territories to cease further action under the appeal to arms made by me; and I call on the French party to satisfy the people of their sincerity in wishing for a peaceful ending of all these troubles by sending a deputation to the Lieutenant-Governor at Pembina without unnecessary delay.

Given under my hand, at the Lower Fort Garry, this 9th day of December, 1869.

(Signed) J. S. DENNIS,
Lieutenant and Conservator of the Peace in and for the
North-West Territories.

No. 10.

No. 10.

COPY of a LETTER from the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR, Hudson Bay House, London, 21st January, 1870.

I have the honour to transmit, for the information of Lord Granville, the accompanying copy of a Proclamation by the Hon. William McDougall, dated Winnipeg, the 1st December, 1869, which has been posted up at the Red River Settlement.

I have, &c.,
(Signed) STAFFORD H. NORTHCOTE,
Sir Frederic Rogers, Bart., K.C.M.G., Governor.

Enclosure in No. 10.

Enclosure in
No. 10.

(COPY.)

WILLIAM MAC DOUGALL.

VICTORIA, by the Grace of God of the United Kingdoms of Great Britain and Ireland, Queen,
Defender of the Faith, &c., &c.

To all whom these presents shall come,

PROCLAMATION,

GREETING:

Whereas by "The British North America Act, 1867," it was, amongst other things, enacted that it should be lawful for Her Majesty, by and with the advice of Her Majesty's Most Honourable Privy Council on Address from the Houses of Parliament of Canada, to admit Rupert's Land and the North-West Territories, or either of them, into the Union or Dominion of Canada on such terms and conditions as are in the Address expressed and as Her Majesty thinks fit to approve.

And whereas for the purpose of carrying into effect the said provisions of the "British North America Act, 1867," the "Rupert's Land Act, 1868," enacted and declared that it should be competent for "the Governor and Company of Adventurers of England trading into Hudson Bay" to surrender to Her Majesty, and for Her Majesty by any instrument under Her sign manual and signet to accept a surrender of all or any of the lands, territories, powers, and authorities whatsoever, granted or purported to be granted by certain Letters Patent of His late Majesty King Charles the Second to the said Governor and Company within Rupert's Land, upon such terms and conditions as should be agreed upon by and between Her Majesty and the said Governor and Company.

And whereas by the "Rupert's Land Act, 1868," it is further enacted that, from the date of the admission of Rupert's Land into the Dominion of Canada as aforesaid, it shall be lawful for the Parliament of Canada to make, ordain, and establish within the land and territory so admitted, as aforesaid,

CANADA.

all such laws, institutions, and ordinances, and to constitute such Courts and Officers as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein.

And whereas it is further provided by the said Act that, until otherwise enacted by the said Parliament of Canada, all the powers, authorities, and jurisdiction of the several Courts of Justice now established in Rupert's Land, and of the several Officers thereof, and of all Magistrates and Justices now acting within the said limits, shall continue in full force and effect therein.

And whereas the said Governor and Company have surrendered to Her Majesty, and Her Majesty has accepted a surrender, of all the lands, territories, rights, privileges, liberties, franchises, powers, and authorities granted, or purported to be granted, by the said Letters Patent, upon certain terms and conditions agreed upon by and between Her Majesty and the said Governor and Company.

And whereas Her Majesty, by and with the advice of Her Majesty's Most Honourable Privy Council, and on an Address from both the Houses of the Parliament of Canada, in pursuance of the One hundred and forty-sixth Section of the "British North America Act, 1867," hath declared that Rupert's Land and the North-Western Territory shall, from the First day of December, in the year of our Lord One thousand eight hundred and sixty-nine, be admitted into and become part of the Dominion of Canada, upon the terms and conditions expressed in the said Address, of which Her Majesty has approved, and Rupert's Land and the said North-Western Territory are admitted into the Union, and have become part of the Dominion of Canada accordingly.

And whereas the Parliament of Canada by an Act intituled "An Act for the Temporary Government of Rupert's Land and the North-West Territory when united with Canada," enacted that it should be lawful for the Governor by any Order or Orders to be by him from time to time made, with the advice of the Privy Council (and subject to such conditions and restrictions as to him should seem meet), to authorize and empower such Officer as he may from time to time appoint as Lieutenant-Governor of the North-West Territories to make provisions for the Administration of Justice therein, and generally to make, ordain, and establish all such laws and institutions and ordinances as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein.

NOW KNOW YE that WE have seen fit by our Royal Letters Patent, bearing date the Twenty-ninth day of September, in the year of our Lord One thousand eight hundred and sixty-nine, to appoint the Honourable William MacDougall, of the City of Ottawa, in the Province of Ontario, in Our Dominion of Canada, and Member of Our Privy Council for Canada and Companion of Our Most Honourable Order of the Bath, on, from, and after the day to be named by Us for the admission of Rupert's Land and the North-Western Territory aforesaid into the Union or Dominion of Canada, to wit, on, from, and after the First day of December, in the year of our Lord One thousand eight hundred and sixty-nine, to be during our pleasure Lieutenant-Governor of the North-West Territories.

AND WE DID thereby authorize and empower and require and command him in due manner to do and execute in all things that shall belong to his said Command, and the trust We have reposed in him, accordingly to the several provisions and instructions granted or appointed him by virtue of Our said Commission, and the Act of the Parliament of Canada hereinbefore recited, and according to such instructions as have been or may from time to time be given him, and to such laws as are or shall be enforced within the North-West Territories.

Of all which our loving subjects of our said Territories, and all others whom these presents may concern, are hereby required to take notice and to govern themselves accordingly.

In testimony whereof We have caused these Our Letters to be made Patent and the Great Seal of our North-West Territories to be hereunto affixed. Witness Our trusty and well-beloved the Honourable William MacDougall, Member of Our Privy Council for Canada, and Companion of Our Most Honourable Order of the Bath, Lieutenant-Governor of Our North-West Territories, &c., &c., &c. At the Red River, in Our aforesaid North-West Territories, this First day of December, in the year of Our Lord One thousand eight hundred and sixty-nine, and in the thirty-third year of Our Reign.

By Command,

J. A. N. PROVENCHER, Secretary.

GOD SAVE THE QUEEN!

No. 11.

No. 11.

COPY of a LETTER from the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P.,
to Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay House, London, 21st January, 1870.

* Page 189.

I am desired by the Committee of the Hudson's Bay Company to acknowledge your Letter of the 8th* instant, communicating to me the substance of a Minute recently received from the Privy Council of the Dominion of Canada, in which the Canadian Government urge a temporary delay in proceeding with the transfer of the Company's Territory, in consequence of the gravity of the present situation of affairs; and submit that the Government of the Company, which the inhabitants have been accustomed to respect, should be continued while steps are being taken to remove the misapprehensions

which exist, and to reconcile the people to the change. You add that Earl Granville is of opinion that the reasons given by the Canadian Government for such delay are weighty in themselves, and become practically conclusive when it is considered that Her Majesty's Government and the Hudson's Bay Company must alike look to that Government for the practical accomplishment of the transfer, and that they appear in fact to be conducting it in the spirit which Her Majesty's Government approve, and which is most calculated to avoid injury to the trade of the Company.

The Committee are fully alive to the importance of restoring, and of preserving, the peace of the Territory, and they are anxious, in the interests of the Company, as well as from a sincere desire to co-operate with Her Majesty's Government, to adopt any suggestions which may, after full consideration, appear to Earl Granville likely to conduce to that end. They have, of course, a duty to discharge to their shareholders, which they must regard as a primary one; but they are satisfied that in any case Her Majesty's Government, at whose request they have committed themselves to the negotiation which has led the Company into its present position, will protect their interests, and will not allow the Company to suffer from its acquiescence in the policy which has been urged upon it, or in that which may be urged hereafter, by the authority of the Colonial Office. Desiring, as they do, to keep the pecuniary claims of the Company separate from the political questions now at issue, the Committee have instructed me to reserve the discussion of those claims for a separate Letter, and to confine myself, in the present communication, to the suggestion of the Government of Canada, that it would be expedient for the present to retain the Company's Government, as that to which the inhabitants of the Red River Territory are accustomed, until the misapprehensions which exist are removed, and the people are reconciled to the change.

It is with great deference that the Committee venture to express their doubts as to the policy of such a course. Lord Granville is aware that for many years they have felt that their authority, however sufficient in former times and under widely different circumstances, had become too weak for the maintenance of order and the protection of the peace of the Settlement. As far back as in August, 1863, Sir Edmund Head communicated to Her Majesty's Government the opinion of the Committee that the time had come when it was expedient that the executive and judicial authority over the Settlement should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty; and again, as lately as in February last, in reply to Lord Granville's question, "What course the Company would propose to take for securing that life and property are adequately protected, and international obligations duly performed in their Territory so long as they remain responsible for its government?" I was instructed by the Committee to reply, that they believed that the most satisfactory plan which could be adopted would be the erection of the Settlement into a Crown Colony, and that they were prepared to recommend to their Shareholders the adoption of measures which would enable Her Majesty's Government to take that step without casting any pecuniary burden upon the National Exchequer. It can hardly be necessary for me to remark that the considerations which led to these expressions of opinion on the part of this Committee, and which Earl Granville's question shows to have been present to his Lordship's mind also, have acquired additional force under existing circumstances. The moral authority of the Company's Government has been greatly weakened by the announcement that a sale of the Territory to the Dominion had been agreed to; its physical weakness has unfortunately been demonstrated by the recent occurrences; and a further complication has been introduced into the affairs of the Settlement by the two Proclamations, dated 1st and 2nd December respectively, in which Mr. McDougall announces that the transfer of the Territory to Canada has been completed, and that he has been appointed Lieutenant-Governor, and by which he also removes Governor Mactavish from his post, and takes upon himself the responsibility of the Administration. These Proclamations had not reached this country when your Despatch of the 8th was written. They strengthen the conviction of the Committee that the proposal that the Company should undertake the provisional administration of the country in its present excited state, and should endeavour to restore tranquillity and to prepare the way for the transfer which has given occasion for the excitement, is one which they cannot entertain unless they are informed that it is the intention of Her Majesty's Government to arm the Company with powers adequate to so arduous a task.

In the event of Lord Granville's coming to the conclusion that it is desirable that this Company should temporarily undertake the Government of the Settlement, I am to request that the period for which it is desired that they should do so may be defined, and I am to inquire whether Her Majesty's Government propose to place any force at

CANADA.

the Company's disposal; whether they will co-operate with the Company in submitting to Parliament such measure or measures as may be found necessary to give full authority to them in respect of the Government of the Colony; and lastly, whether it is his Lordship's intention that the Company, while provisionally administering the affairs of the Settlement, should do so entirely on their own responsibility, subject to Imperial Authority alone, or whether they should in any way act under the instructions of the Dominion Government.

* Page 186.

The Committee observe that, in your Letter under reply, no direct answer is given to the hope expressed in my Letter of the 28th* December, that Lord Granville would forthwith take steps for formally placing the Settlement under the authority which is to be responsible for its good government. They venture respectfully, but very earnestly, to repeat their expression of hope that this may soon be done. The large stake which they have in the prosperity of the country emboldens them to make the suggestion that, if it is thought better that the Dominion Government should not yet take the administration into their hands, Her Majesty's Government should at all events accept the surrender which the Company are prepared to make, and should exercise direct authority in the Colony until such time as the transfer to Canada is thought expedient. The Committee are aware that this course could not be taken without an enlargement of the time limited by the Act of Parliament for the transfer of the Colony to Canada after its surrender to the Crown; but as Parliament is shortly about to meet they presume that such an enlargement could be obtained.

I have, &c.,

(Signed)

STAFFORD H. NORTHCOTE,
Governor.Sir Frederic Rogers, Bart, K.C.M.G.
&c. &c. &c.

No. 12.

No. 12.

COPY of a LETTER from the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
22nd January, 1870.

SIR,

† Page 196.

In my Letter of yesterday's date,† in answer to yours of the 8th instant, I stated to you that the Committee had instructed me to reserve for a separate communication the question of the Company's pecuniary claims in connection with the pending transfer of their land to Canada. This question is to them a very serious one.

It was not without much hesitation that they agreed, at the instance of the Government and on the strong representations of Lord Granville, to recommend their Shareholders to accept the price of 300,000*l.* for the lands, which it was desired that they should surrender. It was not without serious difficulty that they obtained their Shareholders' assent to that recommendation. That assent having once been given, the Committee applied themselves to the arrangement of the necessary details, and by the end of July had arrived at a complete settlement of the terms of the Deed of Transfer, in a manner satisfactory both to Her Majesty's Government and to the Government of Canada. They were at that time ready, so far as they were concerned, to execute the Deed and to surrender the country; but it was communicated to them by Her Majesty's Government, that the Dominion Government desired, for their own convenience, that the actual transfer should not take place until the 1st December. To this delay the Committee made no objection, and regarding the arrangement as definitive, they communicated it to their Shareholders at the General Meeting on the 23rd November, and undertook that so soon as the money should have been paid a Special General Meeting should be called for the purpose of considering a resolution for its distribution among the Shareholders. At that time the Committee fully expected that the money would be paid within the first few days of December.

It was actually provided and lodged at a London House for the purpose of being handed over to the Company so soon as Her Majesty's Government had certified the execution of the Deed of transfer. Suddenly, and in consequence of some disturbance at Red River, for which the Company were in no sense responsible, the Canadian Commissioner in this country received instructions from his Government to delay for the present the payment of the money; and the money remains unpaid to the present time, to the

great disappointment and inconvenience of the Shareholders, who feel the uncertainty of their position even more keenly than the delay.

The Committee are pleased to learn from your Letter of the 8th, that the Canadian Government have informed Lord Granville that they have no desire to "repudiate" or to "postpone" the performance of any of their engagements. It had never entered into the minds of this Committee to impute such a desire to the Dominion Government. They place entire confidence in its good faith; and they also feel perfectly convinced that Her Majesty's Government, at whose especial request the Company entered into this arrangement, would, if it were necessary, take care to secure it full justice. It is not, then, any doubt as to the good faith of Canada; but the extreme inconvenience of their own uncertain position, and the detriment which the interests of the Company must sustain from an indefinite postponement of this payment, which induce the Committee to press for a speedy settlement.

They submit to Lord Granville that the Company are in equity entitled to receive interest on the purchase money from the 1st December, 1869, at the stipulated rate of 5l. per cent., and to be reimbursed any costs and charges to which they may have been, or may be, put in respect of the administration of the Colony since that date.

I am to add that the Committee have received a communication from a Shareholder intimating that it is intended to present a requisition for a General Meeting of the Company, and they apprehend that such a Meeting must ere long be called. It would be very desirable that, before it takes place, they should be in possession of the definitive views of Her Majesty's Government.

Sir Frederic Rogers, Bart., K.C.M.G.,

I have, &c.,

STAFFORD H. NORTHCOTE,
Governor.

No. 13.

No. 13.

COPY of a LETTER from the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Sir,

Hudson Bay House, London,
25th January, 1870.

I have the honour to acquaint you, for the information of Lord Granville, that the Committee have received the following Letter from Mr. Dugald Mactavish, the Hudson Bay Company's Principal Officer in Canada:—

" W. G. SMITH, Esq., Secretary.

" SIR,

" Montreal, 10th January, 1870.

" The following Telegraphic Communication reached me yesterday evening."

" " St. Paul, Minnesota, Hudson Bay Company, Montreal.

" " Confidential.

" " 8th January, 1870.

" " Riel took forcible possession of the Company's Safe at Fort Garry, containing
" " one thousand and ninety (1090) pounds sterling, principally Company's Current
" " Notes.

" " (Signed)

* * * *

" I am, &c.,

" (Signed)

DUGALD MACTAVISH."

It will by and by become my duty to address Her Majesty's Government on the claims of the Company for compensation in respect of this and other depredations which have been committed on their property, or which may be committed during the suspension of authority, which appears to exist in the Red River Settlement.

I have, &c.,

Sir Frederic Rogers, Bart., K.C.M.G.,

STAFFORD NORTHCOTE,
Governor.

CANADA.

No. 14.

No. 14.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
The Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P.

SIR,

Downing Street, 26th January, 1870.

I am directed by Earl Granville to acknowledge the receipt of your two Letters
of 21st* and 22nd † instant.

* Page 196.
† Page 198.

On the first of these Letters Lord Granville desires at present to withhold any observations until he is made aware of the results of the Mission to the Red River Territory of Mr. Thibault, Colonel Salaberry, and Mr. Donald Smith, which may render superfluous any discussion of the questions which it raises.

With regard to the second, his Lordship has stated to the Governor of Canada his opinion that, considering all that has passed, the claim advanced by you on behalf of the Hudson Bay Company to interest on the purchase money of their Territory from the 1st of last month, appears to be a reasonable one.

I am, &c.,
(Signed)

FREDERIC ROGERS.

The Right Hon. Sir Stafford Northcote Bart., M.P.,
&c. &c. &c.

No. 15.

No. 15.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
The Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P.

SIR,

Downing Street, 28th January, 1870.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the
21st † instant, forwarding a copy of a Proclamation by Mr. McDougall, which had been
posted up in the Red River Settlement, dated Winnipeg, the 1st of December, 1869.

† Page 195.

I am, &c.,
(Signed)

FREDERIC ROGERS.

The Right Hon. Sir Stafford Northcote, Bart., M.P.,
&c. &c. &c.

No. 16.

No. 16.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay House, London, 28th January, 1870.

I have the honour to enclose, for the information of Lord Granville, copies of two Letters from Governor Mactavish, dated respectively the 25th and 28th December, 1869, with a copy of a Letter received by him from the Honourable William McDougall, dated Pembina, the 16th December.

In the absence of Sir Stafford Northcote, the Committee abstain from commenting upon the contents of these important and serious communications; but they think it only due to Earl Granville and to Her Majesty's Government to say that they view the state of affairs at Red River with the gravest apprehension.

I have, &c.,
(Signed)

Sir Frederic Rogers, Bart., K.C.M.G.,
Colonial Office.

C. M. LAMPSON,
Deputy Governor.

RED RIVER SETTLEMENT.

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CANADA.

Enclosures in
No. 16.

Enclosures in No. 16.

From Governor WM. MACTAVISH to WILLIAM GREGORY SMITH, Esq., Secretary,
Hudson Bay House, London.

SIR,

Fort Garry, Red River, 25th December, 1869.

I regret very much to have to inform you that, within the last few days, matters here have assumed a worse appearance than they had previously worn. On the evening of the 17th instant Louis Riel, the apparent leader of the malcontents, came to me, and after going over what they had done, informed me that, notwithstanding my own opinion as well as that of others, his party were determined to proceed in the course they had taken, and that to do so money was a necessity; that before going to other parties, apparently friends, but whose object in assisting the malcontents might not be disinterested, and whose interference in the matter would certainly lead to great disorder in the country, he thought it better to come to me and propose that the Company should make a Loan (possibly about 1000*l*.) to the "Provisional Government." I, of course, pointed out to him that the Government he alluded to was not a Government, but simply a body of men supported by a section of a section of the people of the country; to which he replied, that the Government had been proclaimed, but was not yet fully formed, though quite strong enough to attain its object; that he as well as the other Red River people engaged in it were anxious for Canadian connection, but that if forced to look for aid from foreigners, there could be no means of treating with Canada. On those grounds a Loan from the Company would be a great advantage to the country. I pointed out to him that, for any difficulties he might create, or their consequences, the Company could not be held responsible; as I had from the beginning pointed out to him that the steps he was taking were unnecessary as well as illegal, and could eventually only lead to the injury of the people he had induced to support him.

On the 20th instant he, with two members of his "Council," waited on me and formally demanded a Loan for the use of the "Provisional Government." We had a good deal of conversation on the subject, in the course of which I said I did not consider I could entertain their proposition. However, it ended for the time in their appointing the morning of the 22nd instant for another call on me. On that day they again came, and after some discussion and unwillingness to come to the worst, they left me, fully satisfied I would not make the Loan. Before leaving, however, Riel made a threatening speech, informing me the Company had abused and kept down the half-breeds, and ended by selling them with the country, and that it was full time the half-breeds got their redress.

On leaving me, he, accompanied by Mr. O'Donoghue (whom I have before mentioned), went to the Office, having sent some of their people to bring Mr. John H. Mactavish thither as a prisoner. They took the key from his pocket and opened the safe, the contents of which amounted in all to 1090*l*. 4*s*. Of this sum, 262*l*. was in old Hudson Bay notes, tied up as cancelled, 757*l*. in Hudson Bay promissory notes, and the remainder in American currency, gold and silver coins. The safe and its contents were then carried off.

Yesterday John Bruce, who is President of the Provisional Government, took a considerable quantity of goods from the sale shop here to pay the people who have been engaged in support of the disturbances; but, though there has been kept a full account of the goods so taken, I am unable to say at present to what value they amounted; but I feel certain I understate the cost of this business to the trade when I put it at 4000*l*. to this date, with every likelihood of the loss of everything in the establishment, as well as at White Horse Plain, before spring.

The consequences of these disturbances will be most disastrous to the trade, as they will render it impossible to make arrangements for next year's business, and will besides endanger the Company's property in every part of the country.

I do not well see how the matter can be dealt with, as I do not believe a force can be organized in the country to cope with the party now in arms, and those who will certainly join them; at least, to do so will require considerable time and a competent Staff of Officers to train recruits. Troops sent either by England or Canada will not be allowed to pass through the States, as even should the Federal Government consent, the Troops, in passing through the Western States, would certainly be mobbed. The United States alone has the power to make its wishes felt by the malcontents here, and it is most likely that such assistance could only be got by the prospect of the early annexation of the country; and though, I doubt not, this will be its ultimate destiny, there would probably be objections to it at present. Indeed, it is now for the interest of Settlers here that annexation should take place at once.

I am told that Colonel De Salaberry and the Rev. M. Thibeault, a priest who had been in the country nearly thirty years, but who went to Canada about eighteen months ago, are now at Pembina on their way hither, as emissaries from the Canadian Government. Doubtless Mr. Thibeault has been chosen on account of his supposed influence with the half-breeds; but I fear that it will be found insufficient, as I believe Bishop Taché alone has influence sufficient to detach the men from their present leaders, and even he might fail; and, as said before, I am of opinion that the leaders, or their advisers, have fully made up their minds to have nothing to do with Canada.

In consequence of the safe robbery, I have given up redeeming Hudson's Bay promissory notes here. On the face of all notes they are declared redeemable only at York Factory, and we had better adhere

CANADA. — to that, as we would find that the business could only be carried on under the surveillance of an armed guard, who would take possession of the notes so soon as they were in our hands.

William Gregory Smith, Esq.

I have, &c.,
(Signed)

W. MACTAVISH.

P.S.—I find I have omitted to say that, towards the end of the conversation with Riel on the 22nd instant, he had informed me that the amount of the Loan he wished for his Government would be about 10,000% sterling.

I beg to enclose copy of a Letter received from the Hon. William McDougall, dated Pembina, 16th December, 1869.

(Signed) W. M.

Letter from Governor MACTAVISH to WILLIAM GREGORY SMITH, Esq., Secretary, Hudson Bay House, London.

SIR,

Fort Garry, Red River, 28th December, 1869.

On the evening of the 27th instant, the Rev. Mr. Thibeault, who had been for many years Parish Priest at the White Horse Plains, and Vicar-General of the Roman Catholic Diocese of St. Boniface, arrived in the Settlement, and took up his residence in the house of the Bishop of St. Boniface, with the clergy residing there. It is understood that Mr. Thibeault, with Colonel de Salaberry, came here on a mission from the Canadian Government, to endeavour to come to some settlement with the malcontents here, but I have not seen Mr. Thibeault, who appears to keep close in his quarters. Mr. De Salaberry remained at Pembina, and I understand a party has been sent to re-occupy the Company's establishment there, and to send Mr. de Salaberry down. From what I see, I do not think their mission will have any success.

Last evening Mr. Chief-Factor Donald A. Smith, and Mr. Chief-Trader Richard Hardisty arrived here, and were at once taken before Riel, who, after examining them, took them over to Doctor Cowan. I have seen Mr. Smith only for a short time last evening, but I learn from him that there was some probability of his being appointed a Commissioner to arrange the matters in dispute. As I before said, I am doubtful if the leaders in this business wish to make an arrangement with Canada, and in my opinion the only way to bring one about, is by acting on the half-breeds, who support the disturbance, and to get an opportunity of doing so will require that at least one of the Commissioners should be of such influence as to render any stoppage of free intercourse between them and the people impossible. I have no doubt that the Rev. Mr. Thibeault will not be allowed to go freely among his own parishioners.

Mr. Smith informs me that Doctor Tupper, a member of the Dominion Parliament, left Pembina before the former, to come down to the Settlement. On his way down, Mr. Smith could hear nothing of Doctor Tupper, nor have I heard of his arrival in the Settlement.

I have, &c.,

William Gregory Smith, Esq.,
&c. &c. &c.

(Signed)

W. MACTAVISH.

Letter from the Hon. WILLIAM McDUGALL to Governor MACTAVISH.

MY DEAR SIR,

Pembina, 16th December, 1869.

In consequence of the continued occupation of Fort Garry by the Insurgents, under M. Louis Riel, and the submission of the Local Authorities to his orders, and having no force at my command to establish the supremacy of law in that neighbourhood, I have determined to return as far as St. Paul, and await there the orders of Her Majesty's Imperial and Canadian Governments.

I have not had the honour to receive from you any message or communication since your private note of the 19th of November. The roads at this point have been so effectually watched and guarded by the Insurgents, that I have not ventured to send to you any official or other communication that could, if it fell into their hands, betray the situation, or give information or encouragement to them. I send this by the hands of Indians, whom I have found loyal and faithful, where so many others have proved the reverse. I have little doubt it will reach you safely.

I am advised by the Secretary of State for the Provinces, that his Excellency the Governor-General has communicated to Lord Granville my Despatches up to the 9th of November, and has also telegraphed the more recent events, including, I presume, the occupation of Fort Garry by the half-breeds under Riel. I observe, by a paragraph in the 'Montreal Gazette,' that the Dominion Government have telegraphed their Agent in London to withhold the payment to the Hudson Bay Company of the purchase money agreed to be paid to them for the transfer of their rights in Rupert's Land. I have no official confirmation of this statement, but will not be surprised if it should prove true.

Under these circumstances it becomes important to consider carefully the *legal* position of all parties in the present crisis. I venture to submit my view of the case as it stands in the North-West Territories.

If, in consequence of the action of the Dominion Government, the surrender and transfer of the Country did not take place on the first day of December, as previously agreed, then you are the Chief

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Executive Officer as before, and responsible for the preservation of the peace, and the enforcement of the law.

CANADA.

If, on the other hand, the *Transfer* did take place on the first day of December, then, I take it, my Commission came into force, and the notice in the form of a Proclamation issued by my authority on that day, correctly recited the facts, and disclosed the legal *status* of the respective parties. I learn from Colonel Dennis that a notice of Proclamation issued by me on the 2nd day of December, confirming and continuing all Public Officers in their duties and functions, excepting (in the words of the "Canadian Act") "the Public Officer or Functionary at the Head of Administration of Affairs," was duly printed and published in the Settlement, although it was reported here that the messenger who carried it forward was arrested and his papers taken from him by Riel's party. You will observe, by reference to the 5th section of "Rupert's Land Act," that, until otherwise enacted by the Parliament of Canada, "All the Powers, Authorities, and Jurisdiction of the several Courts of Justice now established in Rupert's Land, and the several Officers thereof, and of all Magistrates and Justices," are continued in full force, and by the 6th section of the Canadian Act, "For the temporary Government of Rupert's Land, &c., all Public Officers and Functionaries holding office in Rupert's Land and the North-Western Territory," with the exception already mentioned, "shall continue to be Public Officers and Functionaries of the North-West Territories, with the same duties and powers as before," until otherwise ordered by the Lieutenant-Governor.

My Proclamation of the 2nd instant was intended to notify all these Officers that I had not "otherwise ordered," and that by force of both Acts they still held and were bound to exercise their "Powers, Jurisdiction, and Duties" as before. Whether the transfer has been delayed or not, I think it is clear that the present "Magistrates" and Authorities are still legally in office, and bound, as far they can, to perform the duties of their respective offices as before. In your case, the continuance of your powers and jurisdiction as Governor depends upon the Transfer. If, as I am inclined to think has happened, the Company surrendered, and Her Majesty transferred on the first day of December, notwithstanding the events occurring on this side of the Atlantic, the gentleman who acted as Deputy-Governor, or would have assumed that office, under the laws of Assiniboia, prior to December 1st, will, in my absence, and without special deputation by me, be and become the Chief Executive Officer of the Territories.

I have thought it my duty to explain to you, as I understand it, the legal position of affairs within the Territory at the present time. I do not know whether Judge Black will concur with me, but I trust you will show him this Letter, and be guided, as I have no doubt you will, very much by his view.

I notice that Riel in his printed papers speaks for a very large part of the earth's surface, as well as for all the people who now inhabit it. You will, no doubt, agree with me, that he rules only the "Territory" within the range of his guns, and such people as take service in his ranks, or willingly submit to his orders.

William Mactavish, Esq.,
&c. &c. &c.

I am, &c.,
(Signed)

WILLIAM McDUGALL.

No. 17.

No. 17.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.G.M.G.

Hudson Bay House, London,
2nd February, 1870.

SIR,

I have the honour to enclose for the information of Earl Granville, a copy of a Letter received this day from Donald A. Smith, dated Fort Garry, January 1st, and original Telegram from Mr. N. W. Kittson, the Agent of the Hudson Bay Company, at Saint Paul, Minnesota, stating that Riel was reported to be a prisoner, and Governor Mactavish's authority restored at Red River.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

I have, &c.,
(Signed)

C. M. LAMPSON,
Deputy Governor.

Enclosures in No. 17.

Enclosures in
No. 17.

SIR,

Fort Garry, Red River Settlement, 1st January, 1870.

Governor Mactavish informs me that by the Mail of the 28th ult., he intimated to you my arrival here in the night of the preceding day.

Immediately on arrival I was requested by Mr. Riel and his "Council" to take an oath that I would not endeavour to restore the Government of the Hudson Bay Company, or do anything to the injury

CANADA. — of the "Provisional Government legally constituted." This it is hardly necessary to say I at once declined to do, but I gave my word that I would take no active steps against the "Provisional Government constituted legally or illegally as the case might be," until I should inform them of my intention to the contrary. They received me courteously, and contrary to the usual custom allowed my luggage to pass without being searched, and since that date I have been here virtually confined to the Fort, as is the case with Governor Mactavish and all officers of the Company here, for without permission of Mr. Riel and his friends none may come in or go out. So far I am simply an officer of the Company, but hope next week to have a conference with the "Provisional Government" as Commissioner from the Dominion Government.

You do not, I presume, require to be informed that very hostile feelings are entertained in many quarters towards the Hudson Bay Company, and such as it will be most difficult to allay. At the same time the hostility to the Canadian Government is not less marked, and the chances of any early and amicable settlement of the points in dispute are not very great.

Governor Mactavish, I rejoice to say, is considerably improved in health, but still suffers great pain and is very weak.

William G. Smith, Esq., Secretary,
Hudson Bay Company, London.

I am, &c.,
(Signed) DONALD A. SMITH.

TELEGRAM

From * * *, St. Paul, to Secretary SMITH, Hudson Bay Company, London.

Reported Riel prisoner, Governor Mactavish's authority restored in Red River.

No. 18.

No. 18.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart, K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 9th February, 1870.

* Page 200.

I have the honour to acknowledge the receipt of your Letter of the 28th * of January, enclosing copies of Letters from Governor Mactavish, relating to the state of affairs in the Red River Settlement.

Sir Curtis Lampson, Bart.

I have, &c.,
(Signed)

FREDERIC ROGERS.

No. 19.

No. 19.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 10th February, 1870.

† Page 203.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the 2nd† instant, enclosing copy of a Letter from Mr. Donald A. Smith, and of a Telegram from the Agent of the Hudson Bay Company at Saint Paul, respecting affairs at Red River.

Sir Curtis Lampson, Bart.

I have, &c.,
(Signed)

FREDERIC ROGERS.

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CANADA
No. 20.

No. 20.

COPY of a LETTER from the Right. Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR, Hudson Bay House, London, February 17, 1870.

I have the honour to enclose, for the information of Earl Granville, an Extract of
a Letter received this day from Governor Mactavish, dated Fort Garry, January 10th, in
reference to the state of affairs at Red River Settlement.

I am, &c.,
(Signed)

STAFFORD H. NORTHCOTE,
Governor.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

Enclosure in No. 20.

EXTRACT of a LETTER from Governor MACTAVISH, dated Fort Garry, Red River, 10th January, 1870, to the Secretary of the Hudson Bay Company. Enclosure in No. 2.

" I regret to say that, since writing you on the 28th ultimo, there has been no improvement in the
" state of matters here, as the demands on our stores, made by the Leaders of the party who are in
" arms, continue much as they were. They do not seem to advance much in the formation of a
" Government, though they speak as if it would soon be complete. A number of the prisoners taken
" in Dr. Schultz's house have been allowed to return to Canada; but there is still a considerable
" number retained, though, it is said, all, with the exception of five, will be eventually set free.

" The Rev. M. Thiebault, with M. De Salaberry, are still here; but I have not been able to learn
" whether or not they have been allowed to see freely the parties to whom they were sent. Mr. Chief
" Factor Donald A. Smith is also here; but it seems very doubtful if he will be received as a Commis-
" sioner from Canada. He is, and has been since his arrival, prevented from going outside the
" Establishment."

No. 21.

No. 21.

COPY of a LETTER from Sir C. LAMPSON, Bart., to Sir FREDERIC ROGERS,
Bart., K.C.M.G.

SIR, Hudson Bay House, London, February 22, 1870.

I have the honour to enclose, for the information of Earl Granville, an extract of
a Letter from Governor Mactavish, dated Fort Garry, January 22nd, reporting upon the
state of affairs at Red River Settlement.

I am, &c.,
(Signed) C. M. LAMPSON,
Deputy Governor.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

Enclosure in No. 21.

Enclosure in
No. 21.

EXTRACT of LETTER from Governor MACTAVISH to the Secretary of the Hudson Bay Company,
Fort Garry, Red River, 22nd January, 1870.

" Since writing to you on the 10th instant, Mr. Donald A. Smith has had brought from Pembina,
" where he left them on his way here, the various documents connected with his mission as Commis-
" sioner, and read them before a large meeting of the people of this place. Generally this appears
" to have given satisfaction; but Mr. Riel thinks that the papers should have been submitted to
" himself and Council for their approval.

CANADA.

"The result of the meeting was that the Roman Catholic portion of the Settlement should elect twenty representatives to meet with an equal number from the Protestant portion, and jointly in Council consider Mr. Smith's authority, and if satisfied he had the power, to make with him an arrangement securing to settlers here such rights as were considered due to them previous, but with a view to the establishment of the authority of the Dominion of Canada here.

"This seemed very satisfactory to all parties, and till this morning I had every hope that all difficulties would be got over. But Mr. Riel this forenoon entered Dr. Cowan's house, and in the presence of a number of people, a few of whom were opposed to him, violently abused the Hudson Bay Company and its officers, and, among other things, said that the Company must be struck down; demanded the keys of the shop, which he said must hereafter remain in the hands of one of his people, though I think as yet he has not enforced his demand, but he may do it at any moment. I have still some hope that something may come from the meeting of Delegates called together on Tuesday, the 25th instant, but they are feeble compared with those I had yesterday.

"It is unfortunate also that the Commissioner should have been a servant of the Company. The Rev. Mr. Thiebault and Colonel De Salaberry preceded Mr. Smith, but they had no power to make arrangements, and, as, no doubt, will be urged, were simply sent to make the way smooth, for Mr. Smith, though I have no doubt the idea is incorrect, at least in the sense taken.

"The Canadians and others taken prisoners by Riel and his party are still kept in confinement, though nearly all the Settlement is urgent in a demand for their release, it has not appeared to produce any effect."

No. 22.

No. 22.

COPY of a LETTER from the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P., to Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay House, London, 25th February, 1870.

I am directed by the Committee of the Hudson Bay Company to request that you will assure Lord Granville of the great satisfaction with which they have learnt that the negotiations which the Canadian Commissioners are now carrying on in the Red River Settlement are likely to lead to an amicable adjustment of the differences which have arisen there; and that you will also assure his Lordship that they will be most anxious to facilitate such an arrangement by any means in their power.

I am at the same time to observe that, as the Company is not directly represented on the Commission (although one of the Commissioners is also one of their officers), this Committee are not kept officially informed of the negotiations which are in progress. They are therefore under the necessity of requesting Lord Granville not to give his assent to any arrangement which may be proposed in consequence of those negotiations, until they have been afforded an opportunity of examining it, and of making such representations with respect to it which may appear to them to be necessary.

I have, &c.,

(Signed)

STAFFORD H. NORTHCOTE.

Sir Frederic Rogers, Bart., K.C.M.G.,

Governor.

&c.

&c.

&c.

No. 23.

No. 23.

COPY of a LETTER from Sir C. LAMPSON, Bart., to Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay House, London, February 25, 1870.

* Page 203.

I forwarded with my Letter of the 2nd instant,* for the information of Earl Granville, a telegram received by the Company from Mr. Kittson, their agent at St. Paul, Minnesota, stating that Riel was reported to be a prisoner, and Governor Mactavish's authority restored at Red River. This report appears to have been incorrect, as you will observe by the enclosed copy of a letter from Mr. Kittson, dated St. Paul, the 5th instant.

I have, &c.,

(Signed)

C. M. LAMPSON,

Sir Frederick Rogers, Bart., K.C.M.G.,

Deputy Governor.

&c.

&c.

&c.

RED RIVER SETTLEMENT.

207

CANADA.

Enclosure in
No. 23.

Enclosure in No. 23.

SIR, St. Paul, Minnesota, February 5, 1870.

I have the honour to acknowledge the receipt of your favour of the 29th ultimo.

Your request shall be duly attended to, and all important information from Red River transmitted to you by telegraph. I have, however, to regret that most of the information I receive comes through the Pembina correspondents of our daily papers—a source very unreliable. A few days ago I telegraphed to you that Riel had been made a prisoner, and that the authority of Governor Mactavish had been restored in Red River. This was reported from Pembina, and was generally believed by this community; but later advices from the same quarter contradict the report.

William G. Smith, Esq.,
Hudson Bay Company, London.

I have, &c.,
(Signed) H. W. KITTSON.

No. 24.

No. 24.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to the Right Hon. Sir STAFFORD H. NORTHCOTE, Bart., M.P.

SIR, Downing Street, 28th February, 1870.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the 17th* instant, enclosing an extract from a Letter from Mr. Mactavish relating to the state of affairs at the Red River Settlement. * Page 205.

I am, &c.,
(Signed) FREDERIC ROGERS.

The Right Hon. Sir Stafford H. Northcote, Bart., M.P.

No. 25.

No. 25.

COPY of a LETTER from Sir FREDERIC ROGERS Bart., K.C.M.G., to the Right Hon. Sir S. NORTHCOTE, Bart., M.P.

SIR, Downing Street, 1st March, 1870.

I am directed by Earl Granville to acknowledge your letter of the 25th ultimo,† expressing the satisfaction of the Committee of the Hudson Bay Company at the opening of negotiations between the Red River Settlers and the Canadian Government, but requesting that before his Lordship's assent is given to any arrangement proposed in consequence of those negotiations, the Committee may be afforded an opportunity of examining it and making any necessary representations on the subject. † Page 206.

It appears to Lord Granville that the reference which the Committee desire might cause great delay at the most inopportune moment for the settlement of this question. And his Lordship would suggest for their consideration whether their object would not be most effectually answered by the presence of some representative of the Company at Ottawa during the proposed negotiations.

As it would be indispensable that the character and position of the person who undertakes this Mission should be such as to command the confidence of the Canadian Government and to justify the Company in entrusting to him the fullest powers, Lord Granville would be very glad to learn that you had yourself consented to represent the

CANADA. — Company at Ottawa, and should you do so, will have much pleasure in placing you in communication with Sir J. Young.

I am, &c.,

(Signed)

FREDERIC ROGERS.

The Right Hon. Sir S. H. Northcote, Bart., M.P.

* 28 Feb. 1870
page 110.

P.S. I enclose the copy of a Telegram * received from Sir J. Young in reply to a telegraphic inquiry addressed to him by Lord Granville.

No. 26.

No. 26.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 3rd March, 1870.

† Page 205. I am directed by Earl Granville to acknowledge the receipt of your letter of the 22nd ultimo, ‡ enclosing an extract of a letter from Mr. Mactavish, relating to the state of affairs at the Red River Settlement.

Sir Curtis Lampson, Bart.

I am, &c.,
(Signed)

FREDERIC ROGERS.

No. 27.

No. 27.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 14th March, 1870.

* Page 206. I am directed by Earl Granville to acknowledge the receipt of your letter of the 25th ultimo, * enclosing copy of a communication received from the Hudson Bay Company's Agent at St. Paul, Minnesota, contradicting a rumour which had gained currency to the effect that Riel had been made prisoner, and that Mr. Mactavish's authority had been restored in the Red River Settlement.

Sir Curtis Lampson, Bart., M.P.

I am, &c.,
(Signed)

FREDERIC ROGERS.

No. 28.

No. 28.

COPY of a LETTER from the Right Hon. Sir S. NORTHCOTE, Bart., M.P., to
the UNDER SECRETARY of STATE for the COLONIES.

(Confidential.)

SIR,

Hudson's Bay House,
London, 14th March, 1870.

† Page 207.

I have the honour to acknowledge the receipt of your Letter of the 1st instant, † and to acquaint you for the information of Earl Granville, that at a Committee held this day it was Resolved,

That the Governor be requested to proceed to Ottawa in conformity with his Lordship's suggestion.

I beg to add that I shall be prepared to take my departure for Canada by the steamer 'Peruvian,' to sail on the 24th instant.

The Under Secretary of State
for the Colonies.

I have, &c.
(Signed)

STAFFORD H. NORTHCOTE.
Governor.

No. 29.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
17th March, 1870.

SIR,

I have the honour to acquaint you, for the information of Earl Granville, that a telegram was received this day from the Agent of the Hudson Bay Company at St. Paul, of which the following is a copy :—

“ Kittson, St. Paul, to Hudson Bay Company, London.—Three delegates to
“ Ottawa. Last news 20th February. Snowbound ; not yet here.

Sir Frederic Rogers, Bart., K.C.M.G.
&c. &c. &c.

I have, &c.,
(Signed)

C. M. LAMPSON.
Deputy Governor.

No. 30.

No. 30.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
the Right Hon. Sir Stafford Northcote, Bart., M.P.

SIR,

Downing Street, 24th March, 1870.

I am directed by Earl Granville to inform you that a telegram in the following words has been received by his Lordship this day from the Governor-General of Canada :—

“ Delegates hoped to leave Fort Garry from the 2nd to 5th of March, but no news
“ yet of their having actually started, journey takes about three weeks to Ottawa.”

The Ottawa date of the telegram appears to be the 20th inst.

I have, &c.,
(Signed)

FREDERIC ROGERS.

The Right Hon. Sir Stafford Northcote, Bart.,
&c. &c. &c.

No. 31.

No. 31.

COPY of a LETTER from the Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
March 29th, 1870.

SIR,

I have the honour to acquaint you, for the information of Earl Granville, that a Telegram was received here to-day from the agent of the Company at Saint Paul, relating to the state of affairs at Red River Settlement, as follows :—

“ Kittson, St. Paul, to Hudson Bay Company, London. Suspension of business cause
“ of Smith's protracted stay. Thomas Scott shot by Provisional Government.”

I am, &c.,
(Signed)

STAFFORD H. NORTHCOTE,
Governor.

Sir Frederic Rogers, Bart., K.C.M.G.
&c. &c. &c.

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RECENT DISTURBANCES IN THE

CANADA.

No. 32.

No. 32.

COPY of a LETTER from Sir C. LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
March 31st, 1870.

SIR,

I have the honour to acquaint you, for the information of Earl Granville, that the Company received to-day a Telegraphic Message from Mr. Donald A. Smith, dated St. Paul, the 30th instant, as follows:—

“Left Fort Garry nineteenth, less unsatisfactory. Ottawa direct. Delegates follow.”

Sir Frederic Rogers, Bart., K.C.M.G.
&c. &c. &c.

I have, &c.,
(Signed) C. M. LAMPSON,
Deputy Governor.

No. 33.

No. 33.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
the Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P.

SIR,

Downing Street, 4th April, 1870.

* Page 209. I am directed by Earl Granville to acknowledge the receipt of your Letter of the 29th ult.,* and to state that his Lordship learns with pleasure that it is your intention to leave England for Ottawa on the 7th instant.

I am, &c.,
(Signed) FREDERIC ROGERS.
The Right Hon. Sir Stafford Northcote, Bart., M.P.
&c. &c. &c.

No. 34.

No. 34.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
the Right Hon. Sir STAFFORD NORTHCOTE, Bart., M.P.

SIR,

Downing Street, 4th April, 1870.

† Page 209. I am directed by Earl Granville to acknowledge the receipt of your Letter of the 29th ult.,† containing a Copy of a Telegram which had been received from the Agent of the Hudson Bay Company at St. Paul relating to the state of affairs at the Red River Settlement, and from which Lord Granville has learnt with much concern that one Thomas Scott has been shot by the Provisional Government.

I am, &c.,
(Signed) FREDERIC ROGERS.
The Right Hon. Sir Stafford Northcote, Bart., M.P.
&c. &c. &c.

RED RIVER SETTLEMENT.

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CANADA.

No. 35.

No. 35.

COPY of a LETTER from Sir C. LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

Hudson Bay House, London,
April 8th, 1870.

SIR,

I have the honour to acquaint you, for the information of Lord Granville, that the Hudson Bay Company have this day received a Telegram from their Agent at St. Paul, dated the 7th instant, advising the arrival of two of the Commissioners from Fort Garry. The following is a Copy of the Telegram :—

“Commissioners Richot and Scott arrived ; leave for Ottawa to-morrow. Black to be
“ here Saturday.”

I have, &c.,
(Signed) C. M. LAMPSON,
Deputy Governor.

Sir Frederic Rogers, Bart., K.C.M.G.
&c. &c. &c.

No. 36.

No. 36.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 9th April, 1870.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the 31st of March,* enclosing a Copy of a Telegraphic Message received from Mr. Donald A. Smith, relating to the affairs of the Red River Settlement.

* Page 210.

Sir Curtis Lampson, Bart.

I am, &c.,
(Signed) FREDERIC ROGERS.

No. 37.

No. 37.

COPY of a LETTER from H. T. HOLLAND, Esq., to Sir C. LAMPSON, Bart.

SIR,

Downing Street, April 13, 1870.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the 8th instant,* communicating the substance of a telegram received from the Company's Agent at St. Paul, notifying the arrival at that place of two of the Delegates proceeding from the Red River Settlement to Canada.

* Above.

CANADA.

I am to state that by a telegram received from the Governor-General at this Office yesterday, it appears that the Delegates, or at least Scott and Richôt, were expected to arrive at Ottawa on the 11th instant.

Sir C. Lampson, Bart.

I have, &c.,
(Signed) H. T. HOLLAND.

No. 38.

No. 38.

COPY of a LETTER from H. T. HOLLAND, Esq., to Sir C. LAMPSON, Bart.

SIR,

Downing Street, 16th April, 1870.

I am directed by Earl Granville to enquire whether, supposing the Canadian Government are prepared at once to pay over the 300,000*l.* due upon the surrender of Rupert's Land, either directly to the Company or to Her Majesty's Government for the purpose of being handed to you as soon as the surrender shall be completed, you will be prepared upon receiving the 300,000*l.* to hand over the deed of surrender duly executed without then raising any question respecting the claim for interest upon that sum, or for other compensation, but leaving such claim to be dealt with separately and at a future time.

Sir Charles Lampson, Bart.,
&c. &c. &c.

I have, &c.,
(Signed) H. T. HOLLAND.

No. 39.

No. 39.

COPY of a LETTER from Sir C. LAMPSON, Bart., to Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay House, London,
April 19, 1870.

* Above.

I have the honour to acknowledge Mr. Holland's letter of the 16th instant,* enquiring whether, supposing the Canadian Government are prepared at once to pay over the 300,000*l.* due upon the surrender of Rupert's Land, the Company will hand over the Deed of Surrender duly executed without then raising any question respecting the claim for interest upon that sum or for other compensation, but leaving such claims to be dealt with separately and at a future time.

In reply, I am directed to state that the Committee is desirous, as it always has been, to do all in its power to facilitate any arrangement between Her Majesty's Government and the Government of Canada, which has for its object the establishment of a settled Government at Red River capable of protecting life and property.

I am to remark that the question as to the payment of five per cent interest from the 1st December last has already been raised, and the Committee understands that Her Majesty's Government coincide with it in thinking the claim to be a reasonable one, and have so represented to the Canadian Government.

Under these circumstances the Committee is prepared to hand over the surrender in exchange for the payment of 300,000*l.*, but in doing so it must be distinctly understood that the Hudson Bay Company in no wise waive their claim to the interest thus recognized, or any claim they have for loss of property and interference with their trade, in consequence of the delay in the acceptance of the transfer by Her Majesty's Government.

Sir Frederic Rogers, Bart., K.C.M.G.,
&c. &c. &c.

I have, &c.,
(Signed) C. M. LAMPSON,
Deputy Governor.

COPY of a LETTER from the UNDER SECRETARY of STATE for the COLONIES, to
Sir CURTIS LAMPSON, BART.

SIR,

Downing Street, 5th May, 1870.

I am desired by Earl Granville to transmit to you the Copy of a Letter which his Lordship has received from Sir John Rose,* and to state that, upon delivery by the Hudson Bay Company to Lord Granville of the Deed of Surrender duly executed under the Seal of the Company, his Lordship will be prepared to instruct Sir John Rose to pay over at once the 300,000*l.* to the Company.

* 4th May,
1870, p. 221.

Owing to the present state of affairs in the Red River Settlement, some short time must elapse before Her Majesty can be advised to accept the surrender under the provisions of the "Rupert's Land Act, 1868," but the Company may rest assured that the acceptance will not be unnecessarily delayed.

Lord Granville presumes that the Company will be prepared to leave this part of the matter in the hands of Her Majesty's Government.

The Under Secretary of State
for the Colonies.

I am, &c.
(Signed) FREDERIC ROGERS.

No. 41.

No. 41..

COPY of a LETTER from Sir C. LAMPSON, Bart., to
Sir FREDERIC ROGERS, Bart., K.C.M.G.

SIR,

Hudson Bay, House, London, 7th May, 1870.

I have the honour to acknowledge the receipt of your Letter of the 5th instant,* and in conformity with your intimation that upon delivery by this Company to Lord Granville of the Deed of Surrender duly executed under the Seal of the Company, his Lordship will be prepared to instruct Sir John Rose to pay over the 300,000*l.* to the Company, I now send the Deed herewith, which, as intimated in my letter of the 23rd of November last,† had at that time been passed under the Company's Seal.

* Above.

† Page 181.

I shall be glad to receive, as early as convenient, Lord Granville's letter to Sir John Rose instructing him to pay over the 300,000*l.*

Sir Frederick Rogers, Bart., K.C.M.G.,
&c. &c. &c.

I have, &c.,
C. M. LAMPSON,
Deputy Governor.

No. 42.

No. 42..

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to
The UNDER SECRETARY OF STATE for the COLONIES.

SIR,

Hudson Bay House,
London, 7th May, 1870.

By a Letter from Sir Stafford Northcote we are informed that a suggestion has been made by Mr. Donald Smith, who was the Commissioner appointed by the Canadian Dominion to settle affairs at Red River, that it would be very desirable that a small detachment of soldiers should be stationed at York Factory in Hudson Bay, and I am instructed by the Committee to bring the matter under the notice of Lord Granville, and to express their opinion that such a proceeding might have a very good moral effect with regard to the settlement of the troubles at Red River. Should Lord Granville entertain this suggestion favourably, I shall be very happy to give every information in my power as to the transport of the Troops, and the arrangements for maintaining them at the York Factory.

The Under Secretary of State
for the Colonies.

I have, &c.,
(Signed) C. M. LAMPSON,
Deputy-Governor.

CANADA.

No. 43.

No. 43.

COPY of a LETTER from the UNDER SECRETARY for the COLONIES
to Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 9th May, 1870.

* Page 213. I am directed by Earl Granville to acknowledge the receipt of your Letter of the 7th instant* enclosing the Deed of surrender duly executed under the seal of the Hudson Bay Company, and I am desired to inform you that Sir John Rose has this day been requested to pay over the sum of 300,000*l.* to the Company in pursuance of the authority he has received from the Government of the Dominion.

Sir Curtis Lampson, Bart.
&c. &c. &c.

I have, &c.,

(Signed)

FREDERIC ROGERS.

No. 44.

No. 44.

COPY of a LETTER from Sir C. LAMPSON, Bart.,
to The UNDER SECRETARY for the COLONIES.

SIR,

Hudson Bay House, London, May 11th, 1870.

* Above.

I have received your Letter of the 9th instant,* acknowledging the receipt of the Deed of Surrender duly executed under the seal of the Hudson Bay Company,"and stating that Earl Granville had requested Sir John Rose to pay over the sum of 300,000*l.* to the Company in pursuance of the authority received by him from the Government of the Dominion.

In reply, I have to request that you will be good enough to convey to Earl Granville the thanks of the Committee for the communication, and to inform His Lordship that the Company have this day received the sum of 300,000*l.* therein referred to.

I have, &c.,

(Signed)

C. M. LAMPSON,

The Under Secretary for the Colonies.

Deputy Chairman.

No. 45.

No. 45.

COPY of a LETTER from Sir C. LAMPSON, Bart.,
to The UNDER SECRETARY for the COLONIES.

SIR,

Hudson Bay House, London, May 13th, 1870.

I am desired by the Committee of this Company to communicate to Her Majesty's Government a Despatch which has just been received from Mr. William Mactavish, dated Fort Garry, 6th April, as the Committee deem it of the utmost importance that Her Majesty's Government should be made acquainted with the results which are arising from the proceedings adopted by the Government of Canada and which alone have led to the formation of the so-called "Provisional Government."

The Committee abstain from entering at this moment into the general question of the proceedings taken by the Canadian Government, or into the question as to who is to be held responsible for the damage and injuries they will have produced, but they are desirous to call the attention of Her Majesty's Government to one point of a most pressing character, the solution of which may involve the preservation or destruction of a large portion of the population.

Her Majesty's Government are probably aware that up to the present time both the inhabitants of Rupert's Land as well as the Indian population have been mainly dependent upon the supplies sent out by the Hudson Bay Company for their maintenance and subsistence.

It will be seen from Mr. Mactavish's report that considerable inroads have already been made upon the supplies which have remained in the Company's stores, and it will be also seen that Mr. Mactavish expresses very strong doubts as to the expediency of this Company, in the present state of the Territory, sending out any further supplies.

Should this Company act upon that suggestion, the almost certain result would be that the Indian population will be deprived of the means of obtaining food, and the rest of the population either left in the same predicament or, at all events, subjected to great loss, privation, and inconvenience in procuring the means of subsistence either from Canada or the United States.

The period is now fast approaching when the Company's supplies should be sent out, and as the question is one of a public nature the Committee beg to inquire whether Her Majesty's Government will give an engagement to this Company to indemnify them against any loss or damage they may sustain from their stores upon their arrival at the Company's posts or stations being interfered with by the Agents of the Provisional Government or by any of the disaffected population. As it is necessary that the Committee should come to a decision on the subject without delay, the Committee will be glad to receive a communication from Her Majesty's Government at their earliest convenience.

I should mention that the value of the supplies usually sent out at this period of the year is about 80,000*l*.

I have, &c.,

(Signed)

C. M. LAMPSON,

Deputy Governor.

The Under Secretary for the Colonies.

Enclosure 1 in No. 45.

Enclosure 1
in No. 45.

Extract of a Letter from Governor Mactavish to W. G. Smith, Secretary of the Hudson Bay Company, dated Fort Garry, Red River, 6th April, 1870.

"I beg to forward, for your information, the following general outline of events which have occurred here since I last addressed you on 12th February.

"I then mentioned that on the evening of 10th February a Provisional Government had been formed, of which Mr. Louis Riel was acknowledged President by the Congress of Representatives from the various parts of the Settlement.

"On the forenoon of 14th February it became known in Fort Garry that a party of Canadians and others from Portage La Prairie had arrived at Headingly on their way to this place with the avowed object of liberating the prisoners and overthrowing the French party.

"Simultaneously with this movement a general rising took place in the lower part of the Settlement, in the parishes of St. Andrew's and St. Clement's, from which a multitude of several hundred men came to Frog Plain, where they were joined by the party of more than one hundred men from the Portage.

"Headingly is about twelve miles from Fort Garry, situated on the Assiniboine; Frog Plain is about five miles from Fort Garry, situated on the Red River. In order to form a junction with the party from the Lower Settlement that from the Portage passed within sight of this Fort on the night of the 14th. The moon was bright, and they were expected by the French, who manned the bastions and walls, and fired several shots apparently as a salute. The Portage party, in passing through the village of Winnipeg, surrounded and searched a house in which Riel sometimes slept, though without finding him.

"The party from the Lower Settlement was led by Dr. Schultz, and on their arrival at Frog Plain they billeted themselves in the Scotch Church at that place. They sent a messenger to Fort Garry demanding the liberation of the prisoners, which had been promised by Riel on the formation of the Provisional Government, but had been only partially fulfilled. The French party had collected to the number of about seven hundred men, and were prepared to defend the Fort. On the evening of the 15th the last of the prisoners were set at liberty.

"After remaining in a disorderly crowd at Frog Plain, debating the best course for them to pursue, the greater number of the English party separated for their various homes on the evening of 16th February.

"On the morning of the 17th a number of men belonging to the Portage party passed Fort Garry on their way home from Frog Plain to Portage La Prairie. Riel immediately despatched a party of Frenchmen to intercept them, which was effected without a shot being fired. The number of prisoners so taken was forty-seven.

CANADA.

— —

"They were nominally under command of Captain Boulton, late of the 100th Regiment, a Canadian gentleman wintering in the Settlement, who had connected himself with Colonel Dennis' operations last autumn,

"Four of the prisoners were condemned by Court-Martial to be executed, but in consequence of earnest representations Riel pardoned three of them, refusing, however, to interfere in favour of Captain Boulton. Late on the evening of the 19th, a few hours before the time fixed for the execution, Riel consented to respite Boulton on condition that Mr. Smith, the Canadian Commissioner, should make a tour through the Settlement and induce the inhabitants of the disaffected parishes to support the action of their representatives and acknowledge the Provisional Government.

"Mr. Smith, accompanied by Archdeacon MacLean, visited the various districts referred to, and finally the number of English delegates required to complete the "Legislative Council" were elected and returned.

"I regret to say that during the time occupied by the proceedings of the Assemblage at Frog Plain a young Scotchman, named John Hugh Sutherland, was shot by a Frenchman who had been taken prisoner. Sutherland was in no way connected with the movement; the person who shot him did so in the course of a futile effort to regain his liberty.

"I also regret to state that a prisoner named Scott was shot by order of a French Court-Martial on 4th March. His offence was, I believe, insubordination.

* * * * *

"The first meeting of the Legislative Assembly took place on 9th March. Bishop Taché arrived on the 10th, and was present at the second meeting of the Assembly on the 15th. He begged that the prisoners should all be liberated. Half their number were at once set free, and the remainder on the 20th March; the reason alleged for their protracted detention being that the popular excitement in the Settlement had not yet quieted down.

"Judge Black, the Rev. M. Richot and Mr. Alfred H. Scott, who had been appointed delegates from the people here, left the Settlement for Ottawa, on and about the 21st March.

"Mr. Black had acted as Delegate from one of the parishes in the Settlement at the Convention which sat to frame the Bill of Rights, and form a temporary Government which would be acceptable to all sections of the Colony. This Mr. Black did most reluctantly, and only on account of representations that his presence might be of essential service. The Convention elected Mr. Black as its Chairman. When requested to go to Ottawa as a delegate, he refused for a long time, and was with much difficulty ultimately prevailed on to go by Bishop Taché. He left on 24th ultimo with his sister. Captain Boulton returned along with him to Canada.

"Chief Factor Smith, accompanied by Chief Trader Hardisty, left this place for Canada on 19th ultimo, and Mr. De Salaberry followed on the 23rd. The Rev. Mr. Thibault will remain to reside in the Settlement.

"With regard to the present situation as respects the Company's operations in a commercial point of view, I beg to enclose copy of propositions made to me by Riel, by conceding which the Company would be permitted to resume business. The conditions bear very heavily upon us, but compliance was inevitable.

"Fort Garry had been entirely taken from our hands by the French half-breed party, the leaders of which had with violence seized the keys of all the shops, stores, and warehouses within its walls, and have for months past been carrying away the Company's property of all kinds in vast quantities without let or hindrance.

As you are aware, a large quantity of valuable furs have remained in store here since last autumn. These, along with everything else, have been seized, and we find ourselves perfectly powerless to repossess ourselves of them without the permission of Riel and his people. Our servants have been expelled from their houses and obliged to live outside the Fort, to provide accommodation for the half-breeds. Our Officers have been, as a special mark of favour, permitted to retain their houses with the exception of Dr. Cowan, whose entire house has been seized by Riel, and used as "Government house." The Outpost of White Horse Plain has been seized in like manner and occupied by a large guard of half-breeds. The cattle belonging to its farm have been appropriated, and as a sample of the damage perpetrated I may mention that, by latest advices, 70 of the best working oxen have been slaughtered and eaten.

"The small station at Oak Point on Lake Manitobah, was seized, and Chief Trader Deschambeault compelled to leave it. Riel, however, has since disclaimed the latter outrage as unauthorized by him, and the post is said to have been restored to the Company by his orders. In a former letter I mentioned that our Store at St. Boniface had been sacked by a faction of half-breeds opposed to Riel. Pembina, Lower Fort Garry, and Portage La Prairie have been visited from time to time throughout the winter by armed flying parties, and business of all kinds has been long entirely stopped in this District.

"Respecting the outside Territory, communication with inland districts has been impeded by the impossibility of our sending packets without first obtaining 'passes' from Riel, to enable the bearers to pass his scouts stationed on all the roads. Threats were also held out that parties should at once go west, with instructions addressed from the Provisional Government to the half-breed population in Swan River, and Saskatchewan districts, directing them to seize the Company's posts in these places, and after having seized all the provisions and furs in the Stores, bring them to Red River in Spring. An armed party was also to have visited Portage La Loche in Summer with the object of possessing themselves of the returns of Athabasca and Mackenzie River Districts, and of plundering every Fort along the route.

"These threats were not vain. In fact even had the Company's people been able partially to evade the consequences of such steps, the result must have been ruinous in any case, as the interruption to the traffic would have prevented our getting returns to York in time to go home by the ship. Our returns throughout the north would have been seized and appropriated by the French, and Forts

would have been taken, and our people, cast adrift in the country, would have been compelled to shift for themselves as best they could.

"It is now fully three weeks since rumours first reached me that the time had been fixed at which, in the event of non-compliance with the terms to be proposed by Riel, the Company's people in Red River District were to be turned out of their Forts, and all property, whether personal to themselves or belonging to the Company, confiscated. Since then I have had repeated interviews with Riel, and after much delay, the enclosed list of conditions has been completed. * * * *

I feel that my compliance with their demands on behalf of the Company, affords our only chance of avoiding immediate inevitable destruction.

"Enclosed is also letter from Thomas Bunn, 'Secretary of State,' which was elicited by a request of Mr. John H. Mactavish, the Accountant, that the upper storey of the building, the lower part of which contains the Company's Public Office, should be restored to us, it being the residence of the Clerks, some of whom have been compelled to leave the Fort, but will now, I hope, return to resume their duties. The lower storey of the house in question we have been permitted to retain throughout the winter, and have consequently been enabled to preserve our books.

"We hope within a few days to be enabled to recommence business throughout the district, and, when the proper time arrives, to send perhaps eight boats to Portage La Loche instead of the usual number of fifteen. I shall, as soon as practicable, forward the furs in store here to Saint Paul. We hope to be able to carry on our summer trade, but in consequence of the dreadful pillage we have sustained, we shall do so in a very crippled condition. Indeed, we shall probably require to import some articles during the summer of which we have been rendered destitute by the drain of the past winter. These articles may, however, be obtained at St. Paul.

"I hope soon to be able to address you finally on a few matters affecting the Trade. I have felt unwilling to do so for some time past, as the mails are known to have been unsafe. This difficulty has now, I think, been got over. This Letter I forward to Saint Paul by Mr. Hill of that place, who has been here on a visit for a few days, and returns to-morrow. Meanwhile, I may say I consider the position of the Company in this country to be most critical, and I cannot advise the Board to allow any fresh importations of merchandise until some guarantee shall have been obtained from the English or Canadian Governments for our protection. The arrangements just concluded may enable us to export our returns and pursue the more necessary business of the approaching summer; but beyond that time the prospects are quite impenetrable, and even during its continuance they are very uncertain.

"Mr. Malmros, the American Consul, on quitting this place, lately appointed Mr. Henry M. Robinson, ex-Editor of the 'New Nation,' as Vice-Consul. In handing over the newspaper business to Mr. Thomas Spence, the new Editor, some difficulty rose which induced Riel to send for Robinson, who refused to answer his summons. Finally, after undergoing an act of violence, at the hands of the person sent to apprehend him, Robinson came to Fort, and after about an hour's detention, was suffered to depart. The Vice-Consul now asserts he has reported the matter to his Government in a manner which will secure the presence of American troops at Pembina for the protection of Americans and their property against more serious outrages in summer.

Enclosure 2 in No. 45.

Enclosure 2
in No. 45.

Maison du Gouvernement, Provisoire, Fort Garry.
28 Mars, 1870.

Monsieur,

En vue de nos pourparlers au sujet des affaires de la Compagnie de la Baie d'Hudson, dans ce pays, j'ai l'honneur de pouvoir vous assurer que mon grand désir est de rouvrir au plutôt, dans l'intérêt de tous, un libre cours au commerce.

Le peuple, en se ralliant au Gouvernement Provisoire, dans l'unanimité de ses sentiments, nous prescrit à tous les deux notre conduite.

Le Gouvernement Provisoire, établi sur la justice et la raison, remplira son œuvre.

La Compagnie de la Baie d'Hudson dans ses intérêts commerciaux peut être épargnée mais cela vous regarde et ne dépend que d'elle même; j'ai eu l'honneur de vous dire que des arrangements étaient possibles, et ils le sont aux conditions suivantes.

1. Que toute la Compagnie de la Baie d'Hudson, dans le Nord-Ouest, reconnaisse le Gouvernement Provisoire.

2. Que vous souscriviez, au nom de la Compagnie de la Baie d'Hudson, à un emprunt du Gouvernement Provisoire pour la somme de 3000*l.* sterling.

3. Que sur la demande au Gouvernement Provisoire, dans le cas où les arrangements avec le Canada seraient entravés, vous garantissiez un supplément de 2000*l.* sterling à la somme surmentionnée.

4. Qu'il soit octroyé par la Compagnie de la Baie d'Hudson à l'administration militaire du Gouvernement Provisoire, pour valuer de 4000*l.*, en provisions de bouche et en marchandises au prix courant.

5. Que la Compagnie de la Baie d'Hudson remette immédiatement ses Bills en circulation.

6. Que la Compagnie de la Baie d'Hudson se désiste d'une quantité spécifiée de marchandises que le Gouvernement Provisoire se réserverait, en cas d'arrangement.

En acceptant ces conditions, la Compagnie verra ouvrir ses magasins sous la protection du Gouverne-

CANADA.

ment Provisiore. Le Fort Garry sera ouvert, tout en restant le siège du Gouvernement sous une faible garde de cinquante hommes.

Voilà ; Monsieur les choses que nous impose la situation. Je ne reculerai pas devant mon devoir ; vous possédez le sentiment du vôtre, j'ai la confiance que votre décision sera favorable.

Permettez moi de vous exprimer ici les sentiments de sympathie que m'inspire le mauvais état de votre santé, et mes vœux sincères pour son prompt rétablissement.

J'ai' &c.,

A Monsieur William Mactavish, Gouverneur de la
Compagnie de la Baie d'Hudson dans le Nord-Ouest.

(Signed)

LOUIS RIEL.

In the name of the Hudson Bay Company in this country, I accept and agree to fulfil all the above conditions and propositions. Witness my hand this fifth day of April, One thousand eight hundred and seventy, at the Red River Settlement.

(Signed)

WILLIAM MACTAVISH.

Signed in our presence the day and year above written,

(Signed)

THOMAS BUNN, Secretary of State.

(„)

W. B. O'DONOGHUE, Secretary.

Monsieur,

Maison du Gouvernement, 5th April, 1870.

J'ai l'honneur de vous dire que vous aurez toute la maison ; dite de l'office, mais que nous prendrons le hangar jaune, le premier à la droite de votre demeure.

J'ai l'honneur de vous dire aussi que nous exigerons la somme de 2000*l.* à 2500*l.* en provisions de bouche. Le reste se donnera en marchandises.

J'ai &c.,

(Signed)

(By Order)

THOMAS BUNN.
Secretary of State.

William Mactavish, Esq., Gouverneur de la
Compagnie de la Baie d'Hudson, dans le Nord-Ouest.

No. 46.

No. 46.

COPY of a LETTER from H. T. HOLLAND Esq., to Sir CURTIS LAMPSON, Bart.

SIR,

Downing Street, 17th May, 1870.

* Page 214.

I am directed by Earl Granville to acknowledge the receipt of your Letter of the 13th instant,* enquiring whether Her Majesty's Government would give an engagement to the Company to indemnify them against any loss or damage in respect of certain stores which the Company contemplate sending to Rupert's Land.

Lord Granville desires me to state that, before the goods arrive in Rupert's Land the responsibility for the peace of the country will probably have passed to the Canadian Government, to whom any proposal of this kind which the Company may think requisite had better be made by Telegram without loss of time.

I am to add that the presence of Sir Stafford Northcote at Ottawa appears to afford peculiar facilities for this course of proceeding.

I am, &c.,

(Signed)

H. T. HOLLAND.

Sir Curtis Lampson, Bart.,
&c. &c. &c.

No. 47.

No. 47.

COPY of a LETTER from the UNDER SECRETARY of STATE for the COLONIES, to
SIR CURTIS LAMPSON, Bart.

SIR,

Downing Street, 19th May, 1870.

† Page 213.

I have laid before Earl Granville your Letter of the 7th instant,† on the subject of the suggestion of Mr. Donald Smith that a detachment of soldiers should be stationed at York Factory in Hudson Bay.

Lord Granville does not think it probable that any of Her Majesty's Troops could properly be placed at the Station ; but it will be for the Dominion Government to

RED RIVER SETTLEMENT.

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consider whether, after the transfer of the Territory, a small Canadian Force ought to be placed there.

CANADA.

The Under Secretary of State
for the Colonies.

I am, &c.
(Signed) FREDERIC ROGERS.

No. 48.

No. 48.

COPY of a LETTER from Sir CURTIS LAMPSON, Bart., to H. T. HOLLAND, Esq.

SIR,

Hudson Bay House,
London, May 20th, 1870.

I am favoured with your Letter of the 17th instant* in answer to mine of the 13th, and very much regret that Lord Granville should not have seen the necessity of giving the Hudson Bay Company the indemnity they asked for.

* Page 218.

It is too late now to communicate with the Government of Canada on the subject. No satisfactory result could be arrived at by Telegram; besides which, Sir Stafford Northcote has now left Canada, and will sail from New York by the Steamer of the 25th.

Under these circumstances, the Committee of this Company have come to the determination, at all events, of not running the risk of the Indian and other population of the district being left without the means of subsistence, and they will therefore despatch the stores as usual. But, in adopting this step, the Committee adhere to their opinion that the Government ought to have undertaken the responsibility; and should any damage or loss occur by the proceedings of the Provisional Government, they will still look to Her Majesty's Government for Indemnity, should the Canadian Government decline to take it upon themselves.

H. T. Holland, Esq.

I have &c.,
(Signed) C. M. LAMPSON,
Deputy-Governor.

No. 49.

No. 49.

COPY of a LETTER from the UNDER SECRETARY of STATE for the COLONIES, to
SIR CURTIS LAMPSON, Bart.,

SIR,

Downing Street, 26th May, 1870.

With reference to that part of your Letter of the 20th instant* respecting the Despatch of Stores to Fort Garry, in which it is stated that should any damage or loss occur by the proceedings of the Provisional Government the Company would still look to Her Majesty's Government for indemnity should the Canadian Government decline to take it upon themselves, I am directed by Earl Granville to repeat that Her Majesty's Government do not accept that liability.

* Above.

Sir Curtis Lampson, Bart.,
&c. &c. &c.

I am, &c.,
(Signed) FREDERIC ROGERS.

CORRESPONDENCE

BETWEEN

The Colonial Office and Sir John Rose, K.C.M.G.

No. 1.

No. 1.

Copy of a LETTER from Sir J. ROSE, K.C.M.G., to
the EARL GRANVILLE, K.G.

18, Queen's Gate, Kensington, S.W.,
22nd November, 1869.

MY LORD,

I this day received a Telegram from Canada, to the effect that the Hon. William McDougall, who had been appointed as Lieutenant-Governor of the North-West Territory, under the Act of the Canadian Parliament of last Session, while on his way to Red River was stopped by an armed force of half-breeds.

My Telegram further states that the Authorities were seemingly powerless and inactive, and that the force are said to be 1000 strong.

I think it my duty to convey this report to your Lordship without delay, as this unexpected obstacle to obtaining peaceful possession of the Territory may interpose a serious difficulty, as to the effect of which your Lordship will doubtless be informed by the Governor-General.

I have, &c.,
(Signed) JOHN ROSE.

No. 2.

(No. 2.)

Copy of a LETTER from Sir J. ROSE, K.C.M.G., to the EARL GRANVILLE, K.G.

Bartholomew House, Bank, E.C.,
November 25th, 1869.

MY LORD,

* Above.

Referring to * the communication which I had the honour to address to your Lordship on the 22nd instant, and to the Lords Commissioners of Her Majesty's Treasury on the 24th instant, respecting the difficulties which had arisen at Red River, I trust your Lordship will think it proper, under all the circumstances of the case, that the acceptance of the surrender by the Hudson's Bay Company, and the payment of the money should be deferred until the views of the Canadian Government, as to the effect which these unforeseen events may have, can be definitely ascertained.

I have communicated by telegraph with Sir John McDonald, and your Lordship will doubtless receive, through the Governor-General, formal intimation of the wishes of the Privy Council of Canada at a very early day.

I would also hope that the expediency of the course now suggested will commend itself to the Hudson's Bay Company.

The assent of the Lords Commissioners of Her Majesty's Treasury to guarantee the Loan was only obtained and communicated to me on the 22nd instant, and it will be impossible, by the exercise of every diligence, to have the Bonds engraved and signed before the 30th November. The understanding with Messrs. Baring, Brothers, and Co., and Messrs. Glyn, Mills, Currie, and Co., the Financial Agents of the Dominion, was that the Bonds guaranteed by Her Majesty's Government would be deposited with them, to cover any payment they might make.

Although these gentlemen were ready to make any advance that might be required in anticipation of the actual delivery of the Bonds on being assured that the guarantee was previously assented to, this additional circumstance will, I trust, have its weight with your Lordship in commending to your judgment the desirability of having the explicit sanction of the Government of Canada to perfecting the arrangement, notwithstanding

the unfortunate events which have transpired since the steps were taken to have the necessary preliminaries adjusted.

CANADA.

From the communications which have passed, that explicit approval would appear for the moment to be doubtful; and I can, in conclusion, but reiterate the earnest expression of my hope that the course now suggested may commend itself to your Lordship's judgment.

The Right Hon. The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed)

JOHN ROSE.

No. 3.

No. 3.

COPY of a LETTER from Sir FREDERIC ROGERS, Bart., K.C.M.G., to
Sir J. ROSE, K.C.M.G.

SIR,

Downing Street, 16th December, 1869.

With reference to your Letters of the 22nd and 25th of November,* and to oral communications respecting the difficulties which have arisen in proceeding with the surrender of the Hudson's Bay Company's Territories in British North America, I am directed by Earl Granville to transmit to you, for your information, the enclosed copy of a Letter from Sir Curtis Lampson, together with a copy of the Answer which has returned to it by his Lordship's direction.

* Page 220,
Hudson's Bay
Company,
Dec. 4, 1869,
page 182.
Colonial
Office, Dec. 8,
1869, page 182

Sir J. Rose, K.C.M.G.

I am, &c.,
(Signed)

FREDERIC ROGERS.

No. 4.

No. 4.

COPY of a TELEGRAM from Sir JOHN ROSE, K.C.M.G., to the Hon. R. H. Meade.

March 22nd, 1870.

Just received following Telegram from Ottawa:—Arrival Delegates uncertain. Will send earliest news.

No. 5.

No. 5.

COPY of a LETTER from Sir JOHN ROSE, K.C.M.G.,
to the EARL GRANVILLE, K.G.

MY LORD,

London, May 4th, 1870.

I have received instructions from the Government of Canada to pay over the sum of 300,000*l.* Indemnity money due to the Hudson's Bay Company, the deposit of which formed the subject of the communications I had the honour of addressing to your Lordship in December last.

I accordingly wait your Lordship's instructions with reference to fulfilling the wishes of the Canadian Government.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed)

JOHN ROSE.

CANADA.

No. 6.

No. 6.

COPY of a LETTER from H. T. HOLLAND, Esq. to SIR JOHN ROSE, K.C.M.G.

SIR,

Downing Street, 9th May, 1870.

* Page 221.

With reference to your Letter of the 4th instant,* I am directed by Earl Granville to inform you that the Deed of Surrender, duly executed under the seal of the Hudson's Bay Company, has been delivered to his Lordship, to be retained by him until Her Majesty is advised to make a formal acceptance of the surrender, under the Rupert's Land Act, 1868. Under these circumstances I am to request you at once to pay over the sum of 300,000*l.* to the Company, in pursuance of the authority you have received from the Government of the Dominion,

Sir John Rose, K.C.M.G.

I have, &c.,

(Signed)

H. T. HOLLAND.

No. 7.

No. 7.

COPY of a LETTER from Sir JOHN ROSE, K.C.M.G.,
to H. T. HOLLAND, Esquire.

SIR,

London, 11th May, 1870.

* Above.

I have the honour to state that on receipt of your Letter of the 9th instant,* informing me of the delivery of the Deed of Surrender by the Hudson's Bay Company, and conveying his Lordship's instructions for the payment of the sum of 300,000*l.*, I requested the Financial Agents of Canada to hand over the money to the Hudson's Bay Company.

I have this day received a communication from the Secretary of the Company, of which I enclose a copy for Earl Granville's information, and by which you will see that the money has been duly paid, in accordance with the desire of his Lordship, and the instructions of the Government of Canada.

The Hudson Bay Company will doubtless apprise his Lordship directly of the completion of the payment.

H. T. Holland, Esq.
&c. &c. &c.

I have, &c.,

(Signed)

JOHN ROSE.

Enclosure in
No. 7.

Enclosure in No. 7.

SIR

"Hudson's Bay House, London, 11th May, 1870.

I am directed by the Governor and Committee of the Hudson's Bay Company to acknowledge receipt of your communication of the 10th instant, respecting the payment to the Hudson Bay Company of the sum of 300,000*l.* by the Government of Canada, and I have now to state that that amount has been duly paid over to the Company by Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills Currie & Co., to whom the Company's formal receipt has been delivered.

Sir John Rose, K.C.M.G.,
&c. &c. &c.

I have, &c.,

(Signed)

W. G. SMITH, Secretary,

No. 8.

COPY of a LETTER from H. T. HOLLAND, Esq.,
to Sir JOHN ROSE, K.C.M.G.

SIR,

Downing Street, 17th May, 1870.

* Page 222

I have laid before Earl Granville your Letter of the 11th* instant, enclosing one from the Secretary of the Hudson's Bay Company, in which he states that the sum of 300,000*l.* had been duly paid over to the Company by the Financial Agents of Canada.

I am desired to acquaint you that the Company have also informed his Lordship of the receipt of the money.

I am, &c.,

(Signed)

H. T. HOLLAND.

Sir John Rose, K.C.M.G.,
&c. &c. &c.

REUTER'S TELEGRAMS.

No. 1.

No. 1.

REUTER'S TELEGRAM.

CANADA—THE RED RIVER INSURRECTION.

(By French Atlantic Cable.)

Toronto, December 21, 1869.

Despatches received here from the Red River Settlement are unfavourable. The Insurgents continued to show a determined resistance to the Authorities, and have seized the prominent Canadian sympathisers in the Settlement, and taken possession of a fort situate opposite Pembina. Colonel Dennis is reported to be retreating.

No. 2.

No. 2.

REUTER'S TELEGRAM.

(Per French Atlantic Cable.)

Toronto, February 1, 1870.

It is reported that the Ottawa Royal Canadian Rifles are not to be disbanded. On the contrary, six companies of the body, with a battery of artillery, will be sent to the Red River, *via* Fort William, next Spring.

Advices from the Red River Territory indicate an increasing disorganization among the Insurgents. Disaffection and general opposition was expressed against the proposal of annexation to the United States.

Intelligence received from Fort Garry, the stronghold of the Insurgents, states that their Commander Riel's authority has been superseded and the old Governor and Council has been restored.

A Commission is to be sent to treat with the Canadian Government for the transfer of the Territory to the Dominion.

RED RIVER.

RETURN to an Address of the Honourable The House of Commons,
dated 21 July 1870;—for,

“ COPY of all PETITIONS that have been addressed to Her Majesty or to Her Majesty’s Government from the INHABITANTS of the RED RIVER DISTRICT or other Settlements or Districts within the Boundaries of British Territories in *North America*, from 1860 up to the present time.”

Colonial Office, }
10 August 1870. }

W. MONSELL.

(*Viscount Milton.*)

Ordered, by The House of Commons, to be Printed,
10 August 1870.

SCHEDULE.

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COPY of all PETITIONS that have been addressed to Her Majesty or to Her Majesty's Government from the INHABITANTS of the RED RIVER DISTRICT or other Settlements or Districts within the Boundaries of British Territories in *North America*, from 1860 up to the present time.

— No. 1. —

PETITION to the Canadian Legislature for Annexation of Red River Settlement and North-West Territory to Canada.

To the Honourable Legislative Assembly of the Province of Canada in Parliament assembled:*

The Humble Petition of the Undersigned, a British Subject, of the "North-West," and a Canadian Elector,

Most respectfully representeth:—

THAT in 1857, the people of Red River Settlement, by petition to the Canadian Parliament, earnestly prayed:† "That such measures might be devised and adopted as would extend to them the protection of the Canadian Government, laws, and institutions."

2. That in 1857-58, exploration of the region west of Lake Superior, to the Saskatchewan, by the Canadian Government, ascertained the fact of its high fertility; presenting, in the lower valleys of the Saskatchewan and Red River alone, a "total area of arable land of first quality, of 11,100,000 (eleven millions one hundred thousand) acres," while of "land fit for grazing purposes, the area" (according to the same authority, viz.: Blue Book, Canada,— "North-West Territory," 1859, page 32) "is much more considerable, and may with propriety be assumed as fully equal in extent." That, in fact, the country offers large inducement for settlement.

3. That in autumn, 1857, the Committee of the British House of Commons on this subject of the "North-West," reported, *inter alia*, as follows, viz.:—"Clause 7. Among the various subjects of Imperial policy which it is important to attain, your Committee consider that it is essential to meet the just and reasonable wishes of Canada to be enabled to annex to her territory such portions of the land in the neighbourhood as may be available to her for the purposes of settlement, with which lands she is willing to open and maintain communications, and for which she will provide the means of local administration. Your Committee apprehend that the districts on the Red River and the Saskatchewan are among those likely to be desired for early occupation. It is of great importance that the peace and good order of those districts should be effectually secured. Your Committee trust that there will be no difficulty in effecting such arrangements between Her Majesty's Government and the Hudson's Bay Company, by which these districts may be ceded to Canada on equitable principles, and within the districts thus annexed to her the authority of the Hudson's Bay Company would, of course, entirely cease." "Clause 14. Your Committee cannot doubt but that, when such grave interests are at stake, all the parties concerned will approach the subject in a spirit of conciliation and justice, and they therefore indulge a confident hope that the Government will be enabled in the next Session of Parliament to present a Bill which shall lay the foundation of an equitable and satisfactory arrangement, in the event, which we consider probable, of legislation being found necessary to that purpose."

4. That

* The same, *mutatis mutandis*, was addressed to the other two Branches of the Legislature.

† The Petition was signed by five hundred and ninety-five men, principally (it is to be presumed) heads of families, and representing the mass of the people; and also by the leading Indian Chiefs of the country.

4. That the measures sought have yet to be effectually initiated.

5. That the forlorn colonists who appeal to us are of British and French Canadian origin ; men whose most cherished associations attach them to the British flag, with a fervour which truly finds aspiration in the following words of their Petition (viz. : of 1857—paragraph 19, as printed) :—" When we contemplate," say they, "the mighty tide of immigration which has flowed towards the north these six years past, and has already filled the valley of the Upper Mississippi with settlers, and which will this year flow over the height of land and fill up the valley of the Red River, is there no danger of being carried away by that flood, and that we may thereby lose our nationality? We love the British name," &c. &c.

6. The contingency deprecated seems now about to fall. According to current report, the Legislature of Minnesota is moving for annexation of the Settlement to that State ; a proceeding which, from the augury of Texas, is (especially under the imminences of our hour), fraught with issues momentous not only to the distant denizens of the North-west, but to contiguous Canada, and to British interests generally in America North.

7. That the geographical position of the Red River Valley—centre of British North America—commanding, commercially, the whole great Winnipeg watershed of nearly half a million of square miles, and of fifteen hundred miles of wheat-zone, reaching to the richest known gold-field in the world, is, to every British subject, and more immediately to every Canadian, a point of utmost importance, and one worthy of all conservation and safeguard.

8. That the feasibility of a commercial route, at comparatively small cost, between Canada and Red River Settlement, has, by the surveys of 1857-58, been carefully ascertained, and amply stated in detail in official reports of that work.

9. That as to "Annexation to Canada" (of which from their report, as above cited, some hope appears to have been held out to the Honourable Committee) your petitioner humbly submits that the principles of public polity, *ad hoc*, enunciated by that body of British statesmen, also the known autonomy (largely Canadian) of the interesting colonists seeking it, and the special circumstances of the case, seem to call urgently for its immediate realization.

10. That the consideration which (and that, with some degree of solemnity) weighs most in the mind of your humblest petitioner, on this momentous subject, is, that it is the duty of all British subjects, as constituents *solidaires* of Britain in America, to maintain inviolate and inviolable, as best we may, that grand heritage in this "New World," from Atlantic to Pacific, which Providence has committed to us ; and in the fulfilment of that trust, ever to follow the sacred, primary principle in human progress, of "settlement," cultivation, civilization : with the incidental duty of faithful guardianship of the aboriginal, in his tutelary state ; and observing ever the jealously marked lines of "vested rights," whether legally or equitably acquired, of all fellow members of the great British family.

11. That the immediate danger which threatens the integrity of present Imperial rule in British America is the subtle ingression of a foreign power into its very centre—a strategical—a key point, of utmost significance and imminence ; outflanking Canada—yea, the British provinces and colonies, east and west, on this continent ; and menacing, with a power fast accumulating under passing events on our borders, our very national existence. Wherefore, your very humble petitioner, as a loyal British American in Canada, most respectfully and most earnestly prays that your Honourable House of Legislative Assembly will be pleased to advise or adopt such measures in the premises, as may, in the wisdom of your Honourable House, seem best calculated to meet the emergency in question.

And your petitioner, as in duty bound, will ever pray, &c. &c.

Malcolm McLeod, (Barrister, &c.)

Canada, 24 April 1862.

RED RIVER SETTLEMENT, &c.

5

— No. 2. —

(No. 22.)

COPY of a DESPATCH from the Officer Administering the Government to the Right Honourable the Earl of Carnarvon.

No. 2.
Officer Administering the Government to the Right Hon. the Earl of Carnarvon.

11 Feb. 1867.

My Lord,

Montreal, 11 February 1867.

THE accompanying memorial to Her Majesty, adopted at a public meeting of the inhabitants of the Red River Settlement, has been sent to me with a request that I would transmit it to your Lordship.

I have, &c.

(signed) *J. Michel*,
Lieut. General.

Enclosure in No. 2.

RESOLUTIONS adopted at a Public Meeting of the Inhabitants of the Red River Settlement.

Encl. in No. 2.

1. Resolved, that it is the earnest desire of the people of Red River to see the Lake Superior route to British Columbia opened up for commerce and emigration, and to be united with the Grand Confederation of British North America.

2. Resolved, that in consequence of the great political changes which the British North American provinces are now on the eve of undergoing, and the settlement of the Hudson's Bay question, that no further delay should take place in creating the Red River a Crown colony, with the view of joining confederation under conditions which may be submitted for the approval of the people, who are fully alive to the great importance both to the Red River and Great Britain, of uniting under one grand confederation of the provinces, to advance British interests from the Atlantic to the Pacific.

3. Resolved, that in order to at once give an impetus to the immediate and general development of this vast country under confederation, a free port of entry should be granted, and the immediate opening up of the Lake Superior outlet for trade, with a regular and punctual postal communication.

4. Resolved, that the people desire further to impress upon the Imperial Government the importance of having a detachment of troops at Red River at the earliest opportunity, and would suggest as the shortest and most economical route through British territory, the Lake Superior route, which could easily be made passable for troops, with temporary improvements by a party of Sappers and Miners, and the voluntary assistance of the settlers between Lake of the Woods and Red River.

5. Resolved, that a memorial be drawn up and forwarded to the Imperial Government through the Secretary of the Colonies, briefly setting forth our views.

6. Resolved, that the press of the province of British North America and England be requested to publish the foregoing resolutions and memorial, and that the thanks of the meeting be hereby tendered to those newspapers who have already warmly espoused our cause.

It was then moved by Mr. McKenney, and seconded by Mr. O'Lone, that before adjourning the meeting, in the meantime, a committee be appointed, consisting of the following gentlemen, viz., Andrew McDermott, Esq., Dr. Schultz, Colonel Robinson, and Mr. Spence, to draft a memorial to be submitted at some future time for public signature.

The meeting then adjourned, and before leaving three hearty cheers were given for our gracious Queen and Royal Family.

To Her Most Gracious Majesty Queen Victoria, Queen of Great Britain and Ireland,
&c. &c. &c., in Council assembled.

The Memorial of the undersigned, Merchants, Traders, &c., &c., loyal Inhabitants of that part of Rupert's Land, the Red River Settlement,

Humbly sheweth,

THAT whereas, it is the earnest wish and desire of the inhabitants of this isolated portion of your Most Gracious Majesty's Dominions in British North America to be created a Crown Colony, with a view of being embraced in the Grand Confederation of the provinces of British North America, to foster and protect British interests from the Atlantic to the Pacific;

Your Majesty's loyal memorialists would here briefly set forth their reasons that no further delay should take place in granting the prayer of this memorial; the provinces of British North America being now on the eve of a great political change; together with the

settlement

settlement between your Majesty's Government and the Hudson's Bay Company, for the sovereignty and freehold of this valuable portion of your Majesty's possessions.

Therefore your Majesty's memorialists consider the time has now arrived when they may fairly urge upon your Majesty's Government the importance of favourably considering this memorial and prayer of your Majesty's loyal subjects in Rupert's Land, and thereby taking action thereon at the approaching Session of Parliament, and that the same may become law before dissolution of that Parliament.

Your Majesty's memorialists would here humbly represent for the consideration of your Majesty's Government, the rapid advancement of civilisation and settlement by our adjoining American neighbours, now extending to the confines of the boundary line. While notwithstanding our superior climate and vast agricultural and mineral resources, we must remain helpless to advance in developing the same, having no outlet or market, besides being entirely indebted to the enterprise of a foreign power for any postal or other communication with the outer world; the imports and exports of the country for the past year amounting to over 360,000 *l.* sterling.

That this state of affairs in such a valuable portion of your Majesty's possessions will now cease, notwithstanding previous unsuccessful applications, is the humble and earnest hope of your Majesty's most loyal memorialists.

Your Majesty's memorialists would humbly suggest to your Majesty's Government, as a means of the immediate development of this vast country, viz., with the creation of a Crown colony, the at once opening up of the Lake Superior route to British Columbia for commerce and emigration, and a regular postal communication, an early settlement of Indian land titles, and the presence of a military detachment.

Wherefore your Majesty's memorialists humbly pray that your Most Gracious Majesty may be pleased to recommend immediate action to be taken by your Majesty's Government on this memorial, and that the creation of this country to a Crown colony may become law during the approaching Session of Parliament, and your Majesty's humble memorialists as in duty bound will ever pray, &c.

[Here follow 84 Signatures.]

Red River Settlement, 17 January 1867.

— No. 3. —

No. 3.
Officer Administer-
ing the Govern-
ment to the Right
Hon the Earl of
Carnarvon.

22 Feb. 1867.

*Page 5.

(No. 30.)

COPY of DESPATCH from the Officer Administering the Government to the Right Honourable the Earl of Carnarvon.

My Lord,

Montreal, 22 February 1867.

IN my Despatch, No 22,* of the 11th February, I transmitted to your Lordship a memorial from the inhabitants of the Red River Settlement to Her Majesty the Queen, praying that their territory should be made a Crown Colony.

The question of the expediency either of such a change as they desire, or of the union of the Red River Settlement to Canada having thus been brought under my notice, I have thought it my duty to state my views on the subject for your information, and I have accordingly drawn up the enclosed memorandum, which I have now the honour to submit to your Lordship.

I have, &c.
(signed) J. Michel,
Lieut. General.

Enclosure in No. 3.

Encl. in No. 3.

MEMORANDUM ON RED RIVER SETTLEMENT.

EXTRACT from a DESPATCH, No. 95, from the Right Honourable the Secretary of State for the Colonies to the Governor General of Canada, dated 17 June 1865.

"ON the fourth point, the subject of the North-Western Territory, the Canadian Ministers desired that that territory should be made over to Canada, and undertook to negotiate with the Hudson's Bay Company for the termination of their rights, on condition that the indemnity, if any, should be paid by a loan to be raised by Canada under the Imperial guarantee; with the sanction of the Cabinet, we assented to this proposal, undertaking that if the negotiation should be successful, we, on the part of the Crown, being satisfied that the amount of the indemnity was reasonable, and the security sufficient, would apply to the Imperial Parliament to sanction the agreement and to guarantee the amount."

1. By

RED RIVER SETTLEMENT, &c.

7

1. By this extract it appears that the Canadian Government is willing to negotiate for the acquirement of the rights of the Hudson's Bay Company.

2. As Canada negotiates to take over the territory of the Company, under the Protectorate of Great Britain, so it is expedient to consider what means the territory has of protecting itself from American encroachment, and what power Canada or Great Britain may have of aiding it to resist such encroachment; and, finally, what probability there is of such encroachment being made.

3. To understand this matter, the position of the Americans nearest the frontier, as also American position. that of the Hudson's Bay settlers at Fort Garry must be considered.

4. The nearest American port is at St. Paul's, some 430 miles from Pembina, the border British settlement. This latter place is 70 miles from Fort Garry.

The whole route is open prairie.

The American system of railways has as yet only extended to La Crosse, about 270 miles from St. Paul's, and as from St. Paul's the advance by settlers towards the frontier is but slow, so it may be some years before a railroad reaches Pembina.

5. The Red River Settlement at Fort Garry, the present capital of the Hudson's Bay Company's possessions, and their grand entrepôt, consists of about 10,000 inhabitants, the men being a race of hardy hunters, well accustomed to the use of arms, and each of them possessing a gun or rifle. They are moreover accomplished horsemen. Position of Hudson's Bay Company at Fort Garry.

They are reported to be a semi-barbarous race, but would, no doubt, fight well against an invading force, and at a great advantage from their habits of life, and their knowledge of the country.

6. The Settlement may also at present reckon very largely for its defence on the assistance of the Indians, who, from the faithful dealing of the Company with them, have learnt to put trust in the British name, and, from this cause, and also from their hatred of the Americans, would be trustworthy allies. Indian Allies.

This state of things, however, may not last.

At present the Indians are protected from themselves by the prohibition, and consequent absence of ardent spirits, except in such small quantities as can be surreptitiously introduced; and unfair dealing on the part of traders is also prevented by the system of barter rigorously enforced by the Hudson's Bay Company.

But it appears probable that if the rule of the Company is terminated by the union of its territory to Canada, partial freedom of trade, leading to extreme license (with its concomitant evils to the unfortunate Indian) will be introduced. Unscrupulous traders will then soon by their dishonest dealings destroy in the minds of the Indians that feeling of attachment to England which at present would render them her faithful allies, and thus would lay them open to American seduction.

In such case the Red River Settlement would be easily approached by a limited American force.

7. Three routes are at present used to Fort Garry.

Routes to Fort Garry.

First. From Hudson's Bay, at York.

By this route of 700 miles the furs, except buffalo skins, are sent to England, and through York provisions are brought to supply all the northern trappers' posts; but as this bay is only open for about six weeks in the year, this port may be reckoned for general trade or defensive purposes, useless,

Second. From the head of Lake Superior, at Pidgeon's Bay. This is a complete water course of 700 miles, but so replete with rapids, and consequent long portages, and so beset with natural difficulties, as to make the construction of a water communication by this line a matter of much difficulty, and the expense would probably be so enormous as to render the adoption of this route almost out of the question.

The third route is by the beaten track through the prairies from Fort Garry to St. Paul's. Its whole length, except the first 70 miles, being through American territory. By this road at present all the buffalo skins are exported.

It may here be remarked that, in case of necessity, Fort Garry can supply itself with provisions.

8. The result of this examination shows that in the event of war, as Lake Superior would be held by the United States navy, Fort Garry is effectually isolated from Canada, and that, in any case, until canals or railways are constructed, the United States must possess the only channel through which all the trade of the Red River Settlement must pass.

9. With regard to the future. Can the Red River Settlement be released from this dependence on the United States?

This question cannot be satisfactorily answered until the country between Fort Garry and Lake Superior has been well surveyed.

According to what is known at present a water communication appears almost impossible.

One route, that from Pidgeon Bay, has been already discussed, but even were it practicable, the fact that it is close to the United States territory would render it useless for defensive purposes.

443.

There

There is another water communication possible commencing at Fort William, but her again the difficulties for the first 50 miles are almost insurmountable.

10. Then, as to railways :

A railway might probably be constructed from Pidgeon Bay, north of the water communication, but this would be too close to the American frontier. A second, which is not liable to the last objection, might, perhaps, be projected from Fort William : but here there are vast natural difficulties :

First. A rise of 800 feet in the first 50 miles.

Second. One hundred miles of sterility and swamp unfit for settlement.

11. The following conclusions are, therefore, arrived at :—

First. That at present the channel of all the trade to and from the Red River Settlement is in the hands of the United States.

Secondly. That it is doubtful whether water communication, safe for defensive purposes, can ever be made from the Settlement to Lake Superior.

Thirdly. That, until thorough surveys are made, the possibility of the construction of a remunerative line of railway to Lake Superior cannot be estimated.

Fourthly. That even supposing a water communication, or a railway, were opened from Fort Garry to Lake Superior, all use of it in time of war would be impossible, unless a British gun-boat fleet could enter that lake. This entrance could not be effected until the Ottawa and French River Navigation to Lake Huron is opened, nor even then till a canal is constructed on the British side of the Sault St. Marie.

It is, however, reported that this latter work would be attended with no difficulty, and with but trifling expense, as it would not exceed a mile in length ; but it must be recollected that such a canal would be close to the American frontier, and that its destruction could not be prevented in winter in case of hostilities with the United States, without a strong military force to hold it.

On a careful consideration of the whole question the opinion I have formed is, that until a safe communication for military purposes is completed between Canada and Fort Garry, either the union of the Hudson's Bay territory to Canada, or the creation of a Crown colony at the Red River Settlement, would be a source of weakness and danger both to Canada and England.

Montreal, 20 February 1867.

— No. 4. —

No. 4.

Viscount Monck
to his Grace the
Duke of Bucking-
ham and Chandos.

19 July 1867

No. 24.)

COPY of DESPATCH from the Viscount Monck to his Grace the Duke of
Buckingham and Chandos.

Government House, Quebec,
19 July 1867.

My Lord Duke,

I HAVE the honour to transmit herewith a memorial to Her Majesty the Queen from the inhabitants of Portage La Prairie Settlement, in Rupert's Land, which they have requested me to forward to your Grace ; and I also enclose a copy of certain resolutions passed at a public meeting held in the same locality.

I have, &c.
(signed) *Monck.*

Encl. 1, in No. 4.

Enclosure 1, in No. 4.

To Her Most Gracious Majesty Queen Victoria, Queen of Great Britain and Ireland,
&c. &c. &c., in Council assembled.

The Memorial of the Inhabitants of Portage La Prairie Settlement, in Rupert's Land,
British North America.

Humbly sheweth,

THAT in consequence of British law and protection only extending through the Council of Assiniboia, for a radius of 50 miles round Fort Garry, your Majesty's loyal subjects, inhabitants of this settlement, are left totally without law or protection, civil or criminal, and wholly different from any other settlement in any part of the British empire.

That this settlement contains a population of nearly 500, exclusive of Indians, and
although

RED RIVER SETTLEMENT, &c

although nearer to the United States frontier than the adjoining settlement of Red River, and notwithstanding its vastly superior agricultural resources and climate, your Majesty's loyal memorialists are left helpless to develop the same or to attract immigration, from the want of law and protection.

Your Majesty's memorialists would here humbly represent that, in the opinion of settlers here, farmers who have immigrated from Canada, this settlement and the country extending westward for hundreds of miles is proved by actual experience to be one of the richest agricultural countries in the world, and is even acknowledged by the Government of the State of Minnesota, in its emigration pamphlets, to be vastly superior.

Your Majesty's memorialists would further humbly represent that, with the proper machinery to develop the resources of this vast, rich, and beautiful country, it would become the most attractive point of emigration in the British empire, and that the facilities offered by nature for the construction of a railway to the Rocky Mountains, for cheapness of construction, is unequalled, being one vast prairie and wooded level, and the depth of snow in winter rarely exceeding a few inches.

Your Majesty's memorialists humbly trust, that with the Confederation of the British North American Provinces, the time has arrived when they may fairly urge upon your Majesty's Government the importance of favourably considering this memorial, and immediate action thereon, or your Majesty's Royal sanction for our development, under the care and protection of the Confederate Government of British North America, in the interim of a final settlement with the Hudson's Bay Company.

Wherefore, your Majesty's memorialists humbly pray that your gracious Majesty may be pleased to cause such action to be taken as will give immediate protection to your Majesty's loyal memorialists, and the privileges of British subjects.

And as in duty bound they will ever pray.

(signed) *Thos. Spence, and others.*

Caledonia, Portage la Prairie,
1 June 1867.

Enclosure 2, in No. 4.

Encl. 2, in No. 4.

At a Meeting of the Settlers of Portage la Prairie, Rupert's Land, held at the Store of Mr. Thomas Spence, Caledonia, on Friday, the 31st day of May 1867, the following Resolutions were unanimously adopted:—

1. Moved by Mr. John McLean, and seconded by Mr. Thomas Anderson, "That this meeting earnestly desires to lay before the British and British North American Confederate Governments their regret and despondency, as loyal British subjects, left to continue in their anomalous condition, notwithstanding that they inhabit a section of the country which, for salubrity of climate, richness of soil, and luxuriousness of vegetation, and, as an agricultural country, capable of supporting in comparative affluence millions of people, cannot be excelled, if equalled, in any part of the world."—Carried.

2. Moved by Mr. F. A. Bird, and seconded by Mr. Garvin Garnoch, "That this meeting desires to express, as briefly as possible, their anomalous condition, viz., that, being beyond the 50-mile limit from Fort Garry of the jurisdiction of the Council of Assiniboia, this settlement, containing a population of nearly 500, is totally without law or protection, civil or criminal, and entirely at the mercy of lawless bands of Indians and others."—Carried.

3. Moved by Mr. Sinclair, and seconded by Mr. C. Whiteford, "That efforts have been made by the people to organise and carry on a local government, but failed to continue the same successfully through a want of unity and dignity in the Government."—Carried.

4. Moved by Mr. Corrigan, and seconded by Mr. Thomas Anderson, "That, with the view of representing the sentiments of this people to the British Government, a memorial be addressed to Her Most Gracious Majesty the Queen, praying for redress, and the privilege of British law and protection being extended to them as loyal British subjects; and that Messrs. Spence, McClean, and Garvin Garnoch be a committee to draft and forward the same to the proper authorities, and that a copy of these resolutions be transmitted to the Canadian Government, with a request that the same may be laid before the House at the first meeting of the Confederate Parliament of British North America."—Carried.

5. Moved by Mr. Hay, and seconded by Mr. J. Whiteford, "That the Honourable George Brown, M.P., be requested to present a copy of these resolutions and memorial at the first Confederate Parliament, and move to bring in a Bill for the temporary protection of this settlement under the Confederate Government, with Her Gracious Majesty's sanction."—Carried.

6. Moved by Mr. F. A. Bird, and seconded by Mr. McLean, "That the thanks of this meeting be tendered to the chairman and secretary for the dignified manner in which the meeting has been conducted, and that three cheers be given for the Queen and Royal family."—Carried.

Caledonia,
Portage du Prairie Settlement,
10 June 1867.

(signed) *John McLean,*
Chairman.

— No. 5. —

COPY of LETTER from *Thos. Spence*, Esq., and others, to *Angus Morrison*, Esq., M.P.

No. 5.

Thos. Spence,
Esq., and others,
to *Angus Morrison*,
Esq. M.P.
17 Jan. 1868.

Portage la Prairie, *viâ* Red River Settlement,
17 January 1868.

Dear Sir,

THE President and Council of Manitoba, Rupert's Land, have the honour to request that you will lay before the Government and Parliament of the Dominion of Canada this communication with information, and to request on our behalf from the Government, at the earliest convenience after consideration, a reply for the ultimate guidance and consideration of this Government.

1. For the information of your Government we would, in the first place, beg to state that the election of the President and Council and organisation of this Government only took place in the early part of the present month, and that the election was regularly conducted by the vote of the people. (In the adjoining colony of Assiniboia the election of the Council, the supposed representatives of the people, takes place in London, England).

This settlement has hitherto been totally unprovided for by law or protection, either by the Imperial Government or the Hudson Bay Company, without even a flag of acknowledgment, anomalous to any other British settlement in the Empire, all of which has been twice fully laid before Her Majesty's Government by petition of the people, praying for redress and protection, and to be admitted into the (or even attached *pro tem.*) Confederation of the Dominion of Canada, of which no further acknowledgment has been received than the mere official replies of receipt, and that the same "had been laid at the foot of the Throne."

Meantime, the increase of crime and the overbearing tone of the Indians increases towards the settlers, some of them emigrants of recent date from Canada; plunder and robbery daily going on, self-preservation demanded the immediate organisation of an independent Government.

2. The boundaries of the infant Government of Manitoba for jurisdiction is declared to be as follows:—

South, by the boundary line between the United States and British North America. East, by the boundary line of the jurisdiction of the Government of Assiniboia. West, by the River Souris, or Mouse river, running to the north, and the little Saskatchewan running to the south into the Assiniboine, and on the north by Lake Manitoba, as far as Manitoba House, which area embraces a large portion of the garden of the North-west.

3. The Council of Manitoba have recently, with much satisfaction, learned the resolutions regarding this country, and brought down to the House by the Honourable Mr. McDougall, on 30th November last; but, previous to this knowledge, this Council was pledged to the electors to act resolutely on either of the two following pledges, viz.:—

First. To know from the Government of the Dominion of Canada, in consequence of the 146th section of the "British North American Act of 1867," if that Government would be disposed to at once, under existing urgent circumstances, recognise the existence of this petty Government, or if we can be assured by your Government of our admission or attachment to the Dominion within six months.

Second. That should the reply of your Government prove unfavourable, as a last and desperate resource to throw ourselves upon the liberality and protection of the United States Government for recognition and ultimate annexation.

This

RED RIVER SETTLEMENT, &c.

11

This step as a last resort, and after grave deliberation, is to this Council and people an extremely reluctant one; but when all the circumstances of their total neglect and patient endurance of many years' disappointment, and daily perceiving the rapid advancement of their American neighbours are considered, any liberal Government could not but sympathise with a neglected people, compelled to renounce their loyalty under such circumstances. But this Council sincerely hope and pray that the early and favourable reply of your Government will avert such a humiliation and a calamity, through which serious and complicated evils might arise between the several Governments interested.

We have, &c.
(signed) *Thos. Spence,*
President of Council.

David Cusitar,
Malcolm Cumming,
Frederick A. Bird,
William Garriech, } Council of Manitoba.

— No. 6. —

COPY of LETTER from *Thos. Spence, Esq.*, to the Secretary of State for Foreign Affairs, London.

La Prairie, Manitoba, *vid* Red River
Settlement, 19 February 1868.

No. 6.
Thos. Spence,
Esq., to the
Secretary of State
for Foreign Affairs.
19 Feb. 1868.

My Lord,

As President elect by the people of the newly-organised Government and Council of Manitoba in British Territory, I have the dutiful honour of laying before your Lordship, for the consideration of Her Most Gracious Majesty, our beloved Queen, the circumstances attending the creation of this self-supporting petty government in this isolated portion of Her Majesty's dominions; and as loyal British subjects we humbly and sincerely trust that Her Most Gracious Majesty and Her advisers will be pleased forthwith to give this Government favourable recognition, it being simply our aim to develop our resources, improve the condition of the people, and generally advance and preserve British interests in this rising far-west.

An humble address from the people of this settlement to Her Majesty the Queen, was forwarded through the Governor General of Canada in June last, briefly setting forth the superior attractions of this portion of the British dominions, the growing population, and the gradual influx of immigrants, humbly praying for recognition, law, and protection, to which no reply or acknowledgment has yet reached this people.

Early in January last, at a public meeting of settlers, who number over 400, it was unanimously declared to at once proceed to the election and construction of a Government, which has accordingly been duly carried out, a revenue imposed, public buildings commenced to carry out the laws, provisions made for Indian treaties, construction of roads and other public works tending to promote the interests and welfare of the people, the boundaries of the jurisdiction being, for the time being, proclaimed as follows:—

North, from a point running due north from the boundary line of Assiniboia, till it strikes Lake Manitoba; thence from the point struck, a straight line across the said lake to Manitoba Post; thence by longitudinal line 51, till it intersects line of latitude 100. West, by line of latitude 100 to the boundary line of the United States and British America.

East, the boundary line of the jurisdiction of the Council of Assiniboia.

South, the boundary line between British North America and the United States.

I have, &c.
(signed) *Thos. Spence,*
President of the Council.

RED RIVER.

COPY of all PETITIONS that have been addressed to Her Majesty or to Her Majesty's Government from the INHABITANTS of the RED RIVER DISTRICT or other Settlements or Districts within the Boundaries of British Territories in *North America*, from 1860 up to the present time.

(*Viscount Milton.*)

*Ordered, by The House of Commons, to be Printed,
10 August 1870.*

443.

Under 2 oz.

REPORT

ON THE

RED RIVER EXPEDITION OF 1870,

BY

ASSISTANT CONTROLLER IRVINE, C.M.G.,

WITH PREFACE.

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REPORT on the Red River Expedition of 1870, by Assistant Controller Irvine, C.M.G., with Preface.

THE first hint that the services of the Control Department were likely to be required for an expedition to Fort Garry was given to Acting Deputy Controller Martindale on the 5th April, but no definite understanding on the subject was come to till the 11th of that month.

Attention was diverted for the next few days to the anticipated Fenian raid on Canada, so that when Assistant-Controller Irvine arrived on the 15th from England, detailed to take charge of the Expedition, he found no preparatory steps had been taken, beyond the arrangement made, as a necessary preliminary, between General Lindsay and the Dominion Government, that the Control Department should have entire charge of the Expedition, both as regards the Regular Forces and the Militia, and that the share of expense to be borne by the Dominion Government should form a matter for subsequent investigation.

Conferences were held during the next few days to arrange the route to be taken, and to settle questions of supply, transport, equipment, &c.; and on the 22nd April tenders were advertised for, to be sent in at latest by the 30th, Mr. Irvine being detached at once to Toronto and Collingwood to take stock of the transport and supplies which had already been procured by the Dominion Government, and Deputy Commissary Wilkinson being instructed to make all necessary preparations at Toronto, where it was arranged that the Force should rendezvous.

On the 2nd and 3rd May tenders were accepted. The supplies obtained by them were reasonable in cost, and gave entire satisfaction throughout the Expedition.

The next few days were spent by Colonel Martindale in going to Collingwood and taking up steam transport, satisfactory arrangements having been almost completed when all negotiations were brought to an abrupt termination by a telegram from Ottawa, that the steam transport was to be arranged entirely by the Postmaster-General of the Dominion Government.

Time slipping by, General Lindsay, on the 11th May, instructed Colonel Martindale not to wait for sanction from the Government; and arrangements for transport were at once concluded with the Northern Railway of Canada and the owners of available steam-boats at 15 per cent. under the ordinary tariff.

The general arrangements for the Expedition had meantime progressed. A change in the ration necessitated further supplies of tea, sugar, and tins; 3,000 bags were purchased for the conveyance of flour; biscuits, and pork from Thunder Bay; and the whole energies of the Control Department at the main stations of Montreal, Quebec, and Kingston were being heavily taxed, for in addition to pushing forward stores to Toronto in readiness for shipment, many articles which could not be purchased, such as water-proof bags for blankets, and covers for pouches, had to be made in store; and the Department was already abnormally pressed by the shipment of stores to England, consequent on the withdrawal of troops from Canada.

The first steamer of the season, laden with a general cargo, left Collingwood for Thunder Bay on the 7th May; but being refused a passage, by the United States' Government, through the Sault St. Marie Canal, was compelled to land her freight on the Collingwood side.

It is well to describe exactly the effect of this refusal on the Expedition, for its difficulties were materially increased by it.

An excellent line of railway runs (a distance of 94 miles) from Toronto to the wharves at Collingwood, the shipping port for Lakes Huron and Superior, and therefore for Thunder Bay, some 700 miles further on.

Half way between Collingwood and Thunder Bay, to avoid the rapids between Lakes Huron and Superior, the Sault St. Marie Canal has been constructed, $2\frac{1}{2}$ miles long, in United States territory; and the refusal of a passage through it consequently rendered through shipment to Thunder Bay, as intended, impracticable.

All stores, supplies, and men had to be landed on the Canadian shore of the rapids at the Lake Huron end, transported on land, and re-shipped on Lake Superior.

It necessitated, too, the engagement of fresh steamers, which, when engaged, could

not lie within a mile of the shore, so that communication had to be carried on by means of scows.

It raised claims for wharfage and storage, and damaged the stores by crowding and transhipment, to the great increase of delay, confusion, and expense.*

The Force, the first detachment of which left Toronto on the 14th May, and reached Sault St. Marie on the 16th, consisted of 1,214 officers and men, and about 400 voyageurs and 100 teamsters—a total, say, of 1,700 men, for whom transport had to be provided, and supplies, the country between Thunder Bay and Fort Garry, a distance of 600 miles, producing nothing.

There was some little confusion at first at the Sault St. Marie Canal, in consequence of the unexpected disembarking there of men and stores; but a camp was soon pitched, and stores were placed under shelter, some in the Hudson Bay Company's buildings, and the remainder under tarpaulins.

The next three weeks were occupied in fitting up transport for carrying horses, &c., in unloading and loading, and in sending on supplies and men to Thunder Bay, the last detachment leaving Sault St. Marie on the 19th June, and reaching Prince Arthur's Landing at Thunder Bay on the 22nd.

Owing to the shallowness of the water, the steamers, both at Sault St. Marie and at Thunder Bay, had to lay some distance off the shore. Stores had consequently to be put on board and landed by means of scows, and considerable loss was occasioned, for the packages were not sufficiently strong to bear the constant handling.

The conduct of the Expedition from Thunder Bay being described at length in Assistant Controller Irvine's Report, it is only necessary to give here the general conclusions on the conduct of the Expedition arrived at by Colonel Martindale:—

"The delay," he writes, "that occurred, firstly, before the Control Department received any information regarding the proposed Expedition, and, secondly, before it was placed in a position to act, is to be regretted. It compelled many things to be done hurriedly that would have been the better for more time, and, in conjunction with its other duties, placed an undue and excessive pressure on the Department.

"Supplies were provided for a Force of about 1,700 men. They proved ample and of excellent quality, and met the wants of the Expedition.

"The question of the manner in which the supplies should be packed and carried was considered at the conferences regarding the Expedition, and the best advice that could be obtained was followed, but many of the packages proved too weak for the work they had to undergo. This arose partly from the unexpected transhipment at the Sault, and partly from its having been found more convenient not to shift the contents into bags at Thunder Bay, as originally intended. The tins supplied to carry the tea, sugar, and pepper, answered excellently.

"A sum of 1,500*l.* was taken up by Assistant Commissary Jolly on the 19th of May, on proceeding to Thunder Bay, and a further sum of 2,400*l.* by Commissary Pennell, on 20th June. At the close of the Expedition it was found necessary to send a final sum of 1,000*l.* sterling by an Officer of the 1st Battalion 60th Rifles, no Control Officer being available. The remainder required was raised in small sums at Thunder Bay, and by bills cashed by the Hudson Bay Company at Fort Garry.

"Mr. Dawson's accounts have not yet been received, but unless these greatly exceed what has been estimated for them, it would appear that the cost of the Expedition (not including the pay of the troops) will not exceed 91,487*l.*, the amount of the estimate referred to in paragraph 55.

"The officers selected by me originally for the Expedition represented every branch of the Control, except the Barrack. They were found able to deal with any Control duties they were called on to perform, and they worked in perfect harmony together.

"The experience gained from this service in Canada must, in my opinion, be considered as favourable to the Control system. Called upon, with a much diminished establishment, to deal suddenly and within a period of six months with a Fenian raid, with the Red River Expedition, with the disposal and shipment home of a vast quantity of stores, and with the changes consequent on the withdrawal of the troops, the Department has met the calls made upon it, in addition to its ordinary duties, with a quickness, united action, and success which may fairly be attributed to the union of the several branches into one Department under one Head; while the power afforded to the Controller of utilising any officer for any work for which he was at the moment most wanted, was found in many instances very necessary, and unquestionably enabled a lesser staff to be maintained, and emergencies to be better met and overcome."

* The restriction was subsequently removed as regards stores other than munitions of war, but not till too late to be of much avail.

and stores had to be landed from her at Sault St. Marie. The "Warbuno" was a small craft, capable of carrying but a company of 50 men. Anything shipped in her had to be landed at Sault St. Marie.

Sault St. Marie is a rapid on the St. Mary River, which runs from Lake Superior to Lake Huron, and divides British from American territory. The canal through which vessels have to pass to avoid the rapid is unfortunately on the American side. The "Portage" road, on the Canadian side, is upwards of 2½ miles long.

A possible difficulty with the United States Government was foreseen; and the owners of the steamer "Algoma," on making their first trip of the season, were directed not to return into Lake Huron, but await orders on the Lake Superior side.

This was most fortunate, as just afterwards the "Chicora" was refused permission to pass through the canal. She landed her stores on the Canadian side, and returned to Collingwood. The restriction was taken off immediately for all stores not munitions of war, but not before a large collection of every description had been made at the Sault. This collection was constantly being added to by the Lake Huron steamers bringing more on from Collingwood.

The American propeller "Brooklyn" was hired at Detroit to assist the "Algoma" on Lake Superior; and in addition the American steamers "Clematis," "Union," and "Arctic" were chartered.

Notwithstanding this assistance, nearly one month elapsed before the Force, with all its stores and supplies, was landed at Prince Arthur's Landing.

Stores
damaged
and defi-
cient.

There was no cover or protection for the stores and supplies lying at the Sault beyond what could be given by tarpaulins. They were all carted from one end of the Portage to the other by the transport, sent there for the purpose under Captain Nagle, and shipped as quickly as possible in the first steamer arriving.

In consequence of the shallowness of the water, the steamers had to lay a long way off, and everything had therefore to be put on board by means of a scow. On arriving in Thunder Bay they had again to be landed by a scow, then carted to the camping ground.

Many of the supplies and stores had come from great distances—the biscuit as far as from Quebec; and the packages, though of the ordinary description used in this country, proved, from the difficulties which occurred at Sault St. Marie, and from the constant handling and transshipment, not sufficiently strong for the service. The result of this was considerable loss.

Distribution
of Force.

The Force was thus finally distributed :—

Royal Artillery, Royal Engineers, and 1st Battalion 60th Rifles, proceeded to Fort Garry, and returned without delay.

The 1st Ontario Militia proceeded to Fort Garry, leaving one company encamped at Fort Frances until the 1st September, when it proceeded on to Fort Garry.

The 2nd Quebec Militia proceeded to the Lower Fort Garry, or Stone Fort, with the exception of one company, which remained at Prince Arthur's Landing until the return of the Regular troops to the province of Quebec, where it likewise returned.

PROVISIONS.

The ration.

The ration, as laid down in the Standing Orders issued at Toronto on the 14th May, 1870, by Colonel Wolseley (copy annexed, and marked A), consisted of 1 lb. of biscuit, or 1½ lb. bread, or 1½ lb. flour; 1 lb. salt pork, or 1½ lb. fresh meat; 2 ozs. of sugar; 1 oz. of tea; ½ oz. of salt with fresh meat; ⅓ pint of beans, or ¼ lb. preserved potatoes; ⅓ oz. pepper. When fresh vegetables were obtainable, 1 lb. was issued as the ration. In camp, when no very hard work was being done, this ration was found to be ample; but when working on the roads and in the boats, the men could eat from 1½ to 2 lbs. both of biscuit and pork, and on any similar Expedition the ration should be increased. The ration of tea might perhaps be reduced to ⅔ oz. per man per day, if the troops are together in considerable numbers. The sugar should be increased to 3 ozs.

Biscuit.

The biscuit was chiefly obtained from Quebec, delivered there at 3¼ cents per lb. It was that known as No. 1, and was of excellent quality, as indeed were all the supplies without exception. The barrels in which it was packed proved, as already stated, not sufficiently strong, especially as it was found necessary to abandon the original idea of transferring it to bags at Thunder Bay, and instead to take the barrels through to Red River.

Fresh bread.

Fresh bread was issued at the camps at Prince Arthur's Landing, the Matawan Bridge, the Dam-site, Fort Frances, and lastly at Fort Garry. For this purpose, six field

oven, Aldershot pattern, were sent with the military stores, and seven men of the Army Service Corps were bakers. Three ovens were worked at Prince Arthur's Landing, and fresh bread was issued there throughout the time the Expedition lasted. Two were worked at the Matawan Bridge, and one of these afterwards taken on to the Dam-site. Another was taken on by one of the first brigades of boats, and worked at Fort Frances. At Fort Garry and the Lower Fort, brick ovens were found, and worked at once.

The bread was invariably beautifully baked, and was much relished by the troops, especially at Fort Frances, where it was issued to them going and returning, and after they had been for many days on biscuit.

At the Dam-site, or Ward's Landing, where two men of the Army Service Corps worked but one oven, 470 ration loaves of $1\frac{1}{2}$ lb. each were turned out on the 17th July, the oven not holding more than 90 or 100 rations. No. 1144, Serjeant Joseph Jarvis, Army Service Corps, had charge of all the field ovens at different times. From a statement rendered by him (annexed and marked B), it appears that on the average 100 lbs. of flour yielded 135 lbs. bread.

The flour was of the very best brands; that taken in the Expedition boats was in half barrels containing 98 lbs.; these were stronger and more handy than the whole barrels, yet from the rough usage they had to receive also required an immense deal of re-coopering. The price, exclusive of freight, was 4 dollars 75 cents the whole barrel of 196 lbs. Flour.

The salt pork was supplied at 29 dollars 98 cents per barrel of 200 lbs.; it was that known as mess pork, the best quality. Like the flour, that taken in the boats was in half barrels of 100 lbs. each. Hardly a complaint was heard of its quality; it was generally pronounced excellent. Salt pork.

The rough handling and the intense heat of the sun caused much trouble and anxiety on account of the pork; it had constantly to be re-coopered and re-brined. The loss from it becoming bad was nevertheless trifling. On the arrival of two companies of the 1st Militia at Fort Garry, they returned several barrels into store in a stinking state. As this was exceptional, a Court of Enquiry was held, and it was found they had wittingly drawn off the brine at one of the first "portages" they had come to, so as to lighten their loads. They were condemned to pay 140 dollars.

Some of the pork barrels were hooped with iron, others with wood. The iron were the best for the purpose, as the wooden hoops, standing out from the barrel, hurt the men's backs when portaging.

Fresh beef was supplied at Thunder Bay, and along the road to Shebandowan Lake, at $19\frac{3}{4}$ cents per lb. The contract was very well fulfilled. Fresh beef.

At Fort Frances, on the westward journey, three head of cattle were obtained from the Hudson Bay Company at a charge of 6d. sterling per lb. We were unable to obtain any returning, and the garrison left there were rationed on salt pork. In the same way, at the Hudson Bay post at the mouth of the Winnipeg River, Fort Alexander, the troops had fresh meat going, but not returning. Whilst at Fort Garry, the troops had fresh meat issued to them daily.

The sugar was that known in the market as "dry crushed," and was contracted for on the recommendation of Mr. Donald Smith, of the Hudson Bay Company, as being that used by the Company. The price at Montreal was $12\frac{1}{4}$ cents per lb. It is white sugar, and almost equally as good as "loaf." The packages were excellent, water-tight, iron-hooped barrels of two sizes; the larger contained on the average about 100 lbs., the lesser 80 lbs. Of all the packages containing supplies, these were acknowledged to be the best. Sugar.

The tea, purchased at 38 cents per lb., was, I believe, the very best black tea obtainable in Canada or elsewhere. It was packed in the ordinary tea-chest, and was covered with matting. It was understood, from the best information that could be obtained, that this would be sufficient protection; but our experience shows that more is required to withstand the wet and damp, and the rough work of the portages. I would recommend, in addition to the matting, a stout waterproof cover. Tea.

On the route, much was preserved by the tins supplied each boat, and referred to hereafter under the head of "Packages."

The beans supplied were the ordinary white bean, an excellent vegetable. The cost was $2\frac{3}{4}$ cents per lb. A general objection was raised to the time they required for cooking—a great objection when an hour's halt was all that could be allowed for dinner. They were sewn up in bags containing about 100 lbs. These bags proved not strong enough for the purpose, and considerable losses were the consequence. Beans.

Preserved potatoes.

The preserved potatoes sent from England were exactly what was required ; with boiling water, a few minutes was all that was necessary to prepare them. They were contained in tins hermetically sealed ; these tins were again in wooden cases, making a good strong package adapted to the service. Once the tin was out of the case, it was not sufficiently strong, was soon broken, and damp would then spoil the potatoes.

There were 56 lbs., or 224 rations, in a tin. On being opened, some of the potatoes were found to be damaged, probably caused by the tins not being quite air-tight, and the wet and damp, to which everything was exposed, getting in.

Fresh vegetables.

Fresh vegetables were supplied from Collingwood to the troops so long as they were on the Thunder Bay road. On the return of the troops they were obtained from the Hudson Bay Company's post, Fort William. Between Shebandowan and Fort Garry, none were supplied the troops.

Miscellaneous supplies. Spirits.

3,000 lbs. of tobacco and 2,000 lbs. soap were taken on the Expedition, and issued to the troops at Thunder Bay on repayment.

It will be observed that spirits formed no part of the ration, and nothing of the kind was procurable by the men whilst on the route. Tea only was used, and I believe every man returned in as good if not better health than when he left.

Packages.

In each boat, in addition to the packages already described as containing the provisions, there were placed several round tin canisters of different sizes, which were used for the tea, sugar, pepper, &c., after the larger packages were opened. These tins were particularly useful, not only from being very handy and convenient, but also being water-proof the groceries were protected from wet and damp. There was a small size capable of holding 1 lb. of pepper, and others that held from 12 to 15 lbs. tea, and from 30 to 40 lbs. sugar.

About 10 bags (ordinary 2-bushel bags) were placed in each boat, and were used for flour, biscuit, beans, &c., as their own packages became broken and useless. The texture of these bags was hardly tight enough, though they answered fairly. On any future occasion, the stoutest canvas bag procurable should be taken.

From the hurried manner in which the supplies had to be procured, it was found impossible to obtain a sufficient number of half pork barrels ; but should a similar Expedition ever be organized, it would be very desirable that all the biscuit, as also the flour, should be packed in half pork barrels, or, better still, the "fish barrel," of which large quantities are manufactured at Collingwood. Both descriptions are water-tight, and have the extra advantage of holding a smaller quantity than the ordinary flour barrel, and of therefore being more portable.

A supply of empty half pork barrels was received at Thunder Bay before the final departure of the troops from Shebandowan ; these were used as far as possible for biscuit, and this biscuit kept in admirable condition.

FORAGE.**Forage.**

In consequence of the large transport establishment required on the Thunder Bay Road, hay, oats, and ox-feed had to be provided. These were supplied under contracts made by the Dominion Government at Collingwood and Owen's Sound, and at the following prices :—Hay, 12 dollars 62 cents per 2,000 lbs. ; oats, 34 cents per bushel ; ox-feed, 26 dollars per 2,000 lbs.

The first ration issued to the horses was 10 lbs. oats and 12 lbs. hay. This was soon found to be far from sufficient ; the horses could not do on it the severe work required of them. The ration was therefore gradually increased up to as much as 16 lbs. of oats and 17 lbs. of hay, or in fact to as much as they could eat.

The oxen were fed on hay and ox-feed, and received such quantities as they required.

FUEL, LIGHT, AND WATER.**Fuel, light, and water.**

No light was issued on the Expedition ; and from the nature of the country through which the troops passed, the men were able to help themselves to wood and water *ad libitum*.

LAND TRANSPORT.**Land transport.**

From Thunder Bay to Shebandowan Lake is a distance of 48 miles. To connect these waters, the Dominion Government were, at the time of the starting of the Expedition, making a road. Everything required for the Expedition, boats included, had therefore to be carted this distance. For the purpose a train was organized, and 150 horses, 36 oxen, 50 wagons, 30 carts, with the necessary harness, were purchased.

81 of the horses were taken from the batteries Royal Artillery stationed in Canada. **Horses.** All the horses were fine animals, and did the severe work admirably; only five of them died.

The oxen were fine animals also, but not as useful as the horses. Much of the road **Oxen.** was "corduroyed," and this hurt their feet. Shoeing was tried, but the sticky clay found on many parts of the road invariably drew off the shoes; there was little work, therefore, got out of these animals.

The wagons were principally built at Markham, near Toronto, and were well **Wagons.** adapted to the work. The box was made of 1 inch pine lumber, with a floor of $1\frac{1}{4}$ inch, the dimensions being—length 9 feet 10 inches, width 3 feet 6 inches, depth 1 foot 2 inches. The distance between axles was 5 feet $9\frac{1}{2}$ inches; between wheels, 5 feet 3 inches; diameter of hind wheel, 4 feet 6 inches; fore wheel, 3 feet 9 inches. The tire was $1\frac{3}{4}$ inches wide. Total weight of wagon, 980 lbs. Weight of a hind wheel, 105 lbs., and of a fore wheel 95 lbs. They were well and strongly-built, required but little repair, and were all in fair serviceable condition on the termination of the Expedition.

When the wagons were used for the conveyance of boats the boxes were taken off, the axles were connected by long "reaches," and on the axles wooden cradles were erected to raise the boats over the wheels, and they were thus carried keel upwards.

The box carts, like the oxen, were not adapted to the service; they could carry **Carts.** but little, and were hard upon the horses. The dimensions of box were—Length, 5 feet 4 inches; width, 3 feet 4 inches; height, 1 foot $1\frac{1}{2}$ inch; diameter of wheels, 4 feet 6 inches; width of tire, 3 inches.

The harness, double and single, purchased at Toronto, was well made and serviceable, **Harness.** excepting the collars, which were generally found to be too small; consequently galled necks became common, and a great number of horses were daily shown as non-effective. Some breast-harness was at once sent for, and this enabled us to work the horses with sore necks.

I would advise, on all occasions, breast-harness being in reserve, for use when the collar galls.

The establishment consisted, in addition to the officers mentioned on page 3, of a **Transport** Veterinary Surgeon and 2 Head Teamsters, with wages at 40 dollars per month each; **Establishment.** 5 Assistant Head Teamsters, 2 at 30 dollars and 3 at 28 dollars per month; a Shoeing Smith, at 35 dollars; a Collar Maker, at 35 dollars; and 96 Teamsters, at 22 dollars per month.

The road being newly cut through the forest, and being unmade, it was found this **Additional** transport was not sufficient for the work to be done,—21 additional Teamsters were **hired** therefore hired by the month at Collingwood, with their teams, and brought to Thunder **transport.** Bay. This system was found to work admirably, as the farmers not only worked willingly, but naturally were more careful of their horses than the other teamsters; they were paid 3 dollars per diem, were provided with passages from and to Collingwood, and free rations for man and horse.

The other teamsters having been collected together in a hurry could not be expected **Teamsters.** to be a good class of men, and there was some little trouble with them at first. Two of them were brought before a Magistrate, and committed to the prison at Sault St. Marie, for disobedience of orders in driving furiously, and this had a wholesome effect on the others, and they generally behaved well afterwards. They had to endure great hardships, going daily over the worst of roads in very bad weather.

It rained almost every day whilst we were in the district.

On the return journey of the troops from Fort Garry, Captain Buller's Company of **Transport** the 1st Battalion of the 60th Rifles, marched from Fort Garry to the north-west angle **between** of the Lake of the Woods, where they were met by Captain Scott's Company of the **Fort Garry** 1st Ontario Militia, *en route* from Fort Frances to Fort Garry. The distance of this **and north-** land journey was about 110 miles. **west angle,** **Lake of the** **Woods.**

The country cart was hired for transport, and could travel over 80 miles of the road. The cart was a simple floor on two wheels, its only peculiarity being the absence of tires to the wheels. As it is only used on the soft prairie roads, tires are not required. For 30 miles there was no road, and the path lay through woods and swamps, and for this distance pack-horses had to be used.

I annex (marked D.) Captain Buller's description of the pack-saddle.

WATER TRANSPORT.

The distance to be travelled by water was about 560 miles. For this purpose 140 **Boats.** boats were provided by the Dominion Government. These boats varied considerably in

size, and were built in all parts of the provinces of Quebec and Ontario. Some were "carvel," others "clinker" built. The average length may be taken as being about 32 feet and 6 feet beam. Each boat could fit up two masts, and six oars were generally used.

The boat equipment is laid down in paras. 3 and 4 of the Standing Orders (Enclosure A).

125 of these boats left M'Neill Bay, Shebandowan Lake, conveying troops. In addition there were provided for the use of the Colonel Commanding and other Staff Officers a light "gig" and three large bark canoes.

Statement C. annexed shows the number of persons and quantity of stores, over and above the boat equipment and personal equipment of the officers and men, embarked.

Baggage.

Each officer was limited to 90 lbs. baggage, which he carried in two waterproof bags, such as are used by the men of the Army Service Corps.

Voyageurs.

To manage the boats, 400 voyageurs were engaged by the Dominion Government; only two men were, however, put into each boat. In addition to these, Indian guides had to be engaged at different points along the route. Many of the men engaged were found to be perfectly useless, knowing little or nothing of the management of boats; the best and most useful of all were the Irroquois Indians hired at Caughnawaga, near Montreal.

The boats and voyageurs not required for the conveyance of the troops were employed forwarding a reserve of supplies to Fort Frances.

STORES.

Arms and ammunition.

There were landed at Thunder Bay four 7-pr. bronze mountain guns, with about 800 rounds of ammunition, 309,550 rounds of small-arm ammunition, in addition to 60 rounds carried by each man; 100 stand of rifles and accoutrements were also received there as a reserve.

It was feared that the Fenians might make an attack on Prince Arthur's landing, and therefore a larger quantity of ammunition was sent forward than was estimated as requisite for the expedition.

Immediately on the arrival of the troops, a strong stockade was built, under the superintendence of Lieutenant Heneage R.E., within which was erected a magazine, and here, during the summer, the ammunition was kept.

The Artillery carried with them to the Red River two of the guns, with 150 rounds for each. A reserve of 111,000 rounds small-arm ammunition was distributed throughout the boats.

For the protection of the ammunition in the pouches whilst *en route*, waterproof bags were constructed, to hold 10 pouches with belts; these answered well.

Arm chests to hold 10 rifles were made, and one put into each boat. There were some complaints of the rifles getting wet in these boxes, but on the whole they answered the required purpose.

The two guns and the reserve ammunition were handed over to the Militia at Fort Garry. The two guns, with the ammunition and arms left at Prince Arthur's Landing were taken back to Quebec with the troops on their return.

Camp equipment.

In consequence of the peculiar nature of the service, the smallest possible quantity of stores were taken on the Expedition.

For a brigade of boats, consisting of 3 Officers, 50 men, and 12 or 13 voyageurs, there would be but 1 tent for the Officers, 4 for the soldiers, and 1 for the voyageurs.

For cooking purposes Flanders kettles and frying-pans were used.

Besides axes, spades, and shovels, a few tools for engineer purposes were all the stores taken on the march.

Clothing and necessities.

A free kit was issued to the soldiers, consisting of 1 serge frock, 1 pair serge trousers, 1 pair oxford boots, 2 pairs worsted socks, 2 flannel shirts, 1 housewife, 1 woollen night-cap, 1 cap cover with peak, 1 mosquito net, 1 clasp knife, 1 tin cup, 1 tin plate.

Each soldier had also issued to him 2 grey blankets—field service—and 1 waterproof sheet. Waterproof bags were provided for holding 10 blankets, and used in the boats. The field service grey blanket was found to be too poor an article for this service; there was little or no warmth in it.

HOSPITALS.

Two hospital marquees were pitched for hospital purposes at Thunder Bay. A large supply of medical comforts were sent for use in this hospital, as well as the necessary equipment for 36 patients.

No hospital diets were issued; whilst in hospital the patients drew their field rations. "Extras" were issued as required. With each brigade of boats there was forwarded a box containing a small supply of comforts for use on the march. Diets.

An establishment for 36 patients was also taken on to Fort Frances; but bell tents only were used, the marquees being considered too heavy to be taken on the journey. The equipment, comforts, &c., at Fort Frances were finally sent on to Fort Garry; those at Prince Arthur's Landing were brought back to Canada.

CASH.

At Thunder Bay and along the route all payments were made in Canadian Bank or Provincial notes brought from Toronto for the purpose. Funds.

At Fort Garry funds were raised, principally through the Hudson Bay Company, by draft on the Staff Paymaster, Montreal.

Extraordinary field allowance was issued for six months. Field allowance.

Free rations were issued to the soldiers. Officers paid the usual ration stoppage of 1½d. per diem, and when receiving "extras" from hospital paid the stoppage of 1s. Stoppages.

POSTAL ARRANGEMENTS.

As there were no established means of communication along the route, arrangements were made with the Hudson Bay Company to place Indians with light canoes at different points, and by them the mails were regularly forwarded during August and September. Mails.

EXPEDITION.

As stated in the preamble, the first detachment of troops arrived at Thunder Bay on the 25th May. There was a small wharf or jetty off the landing-place, but not a sufficiency of water for the large steamers to lay alongside, consequently all the men, horses, and stores had to be brought from the vessels in a large flat-bottomed scow. The scow was generally worked by a rope from the vessel to the wharf. For five weeks we had the services of a small tug, and she was of great use in landing stores and towing the scow when the steamers anchored at too great a distance for the rope to be used, and also in towing the boats up the Kemanistaquia River to the first rapid, about 10 miles from the mouth.

At Prince Arthur's Landing we found a few buildings belonging to the Public Works Department, and occupied by their employés. This department, under the superintendence of Simon J. Dawson, Esq., in a few days erected for our use two large store sheds, as well as stabling for a large number of horses. In addition to the sheds, four hospital marquees were pitched as store-houses, but notwithstanding this, we had always quantities of stores exposed to the weather.

Thunder Bay is now connected with Shebandowan Lake by a good road, the length of which is 48 miles. On the arrival of the troops the state of the road was about this—30 miles of it was considered as made, but from the nature of the ground in heavy weather many parts became almost impassable; 12 miles were cut through the forest, but the road not sufficiently cleared of stumps, or the swamps sufficiently corduroyed to be fit for the passage of troops or laden wagons; the remainder of the distance had not been touched—the trees were standing.

Fine bridges had been built over the Kemanistaquia and Matawan Rivers, where the road crosses them (21½ and 26 miles from Thunder Bay), but a bridge had not been commenced over the Oskondagee Creek, 38 miles from the Bay.

As not only all our stores but also all our boats had to be got over this road, it became a matter of the utmost importance to assist in making it. Troops were therefore posted at different points where the Public Works Department required them. The first troops to work on the road were two companies of the 60th Rifles, who left Thunder Bay on the 28th May and encamped at Kemanistaquia River. The weather then became very bad, and the prospect of our getting over the road appeared to be hopeless.

About a dozen boats had been carted as far as the Matawan Bridge, and safely launched in that river, when it was suggested to Colonel Wolseley that the remainder might be sent to this point *via* the Kemanistaquia River into which the Matawan flows, and so save our land transport.

Much opposition was raised to this plan, as it was said the dangers on the river were so great that the boats would all surely get severely damaged; the trial was however

successfully made by Captain Young, of the 60th Rifles, and the other boats were then sent that way, manned by soldiers and voyageurs. It was then found practicable to send the boats and stores by the Matawan River to a point $2\frac{1}{2}$ miles further on the road, and which was named "Young's Landing." From here about 5 miles the river was again found to be navigable, but the road passed more than a mile from the river; a lane was cut to it, and that point was called "Calderon's Landing." From Calderon's Landing to the Oskondagee Creek boats and stores could be taken by water. From the Oskondagee to the Dam-site everything had to be carted. The Dam-site was three miles from the Lake and on the river running out of it. From here everything went by water to M'Neill Bay, the starting point on Shebandowan Lake.

At all these different points camps had to be formed, as strong fatigue and road parties were requisite. At several of the posts, under Mr. Dawson's superintendence, stables and sheds were erected for horses and stores.

The first troops encamped on the road on the 28th May; the last embarkation at Shebandowan was on the 1st August, so that for two months the small force were scattered over 50 miles of country, and much care and trouble were necessary to keep them well and fully supplied.

Had the land transport only been used we could not possibly have got away for ten days or a fortnight later, and this delay would have made a great difference in the return journey. Working road and river together was a most happy thought.

On the final embarkation of the Expeditionary Force, one company of the Quebec Militia remained as a garrison at Prince Arthur's Landing.

It was found on loading the boats at M'Neill Bay that they could carry 60 days' supplies. The Colonel Commanding then altered his arrangements for halting the brigades on different portages, as laid down in para. 12 *et seq.* of Standing Orders, and directed all to proceed at once to Fort Frances. A reserve of 200 barrels biscuit, 200 barrels ($\frac{1}{2}$) flour, 200 barrels ($\frac{1}{2}$) pork, 74 bags beans, 26 chests tea, 28 barrels sugar, was forwarded after them to Fort Frances by the spare boats and voyageurs, as stated on page 8.

From M'Neill Bay to Fort Garry the route taken by the Expeditionary Force is, roughly, a distance of 560 miles. There were along the route 42 portages, varying in length from 40 to 1,800 yards; over these the boats and stores had all to be conveyed. Trees were cut and laid down as "skids," over which the boats were hauled; the stores were carried on the mens' backs. Rope slings were provided, so that barrels slung between poles might be carried by two men; but they soon gave the preference to the "portage strap," and carried their loads, like the Indians, on their backs, with the straps passing round their foreheads.

At Fort Frances on Rainy River, a dépôt was formed, under charge of Commissary Mellish, and protected by a company of the Ontario Militia. The stores not required for the troops were finally taken over by the Public Works Department for the use of men employed road-making between Fort Garry and the Lake of the Woods.

Along the route there was little Control duty to be performed. As each brigade arrived at Fort Garry the Officer Commanding was called upon to account for the supplies and stores he had received at M'Neill Bay or Fort Frances, and the same plan was adopted on the return journey.

The first brigade of boats left M'Neill Bay on the 16th July, and the last with Regular troops on the 21st July. They arrived at Fort Frances on the 4th and 8th August respectively.

On the 20th August the whole of the Regular troops had arrived at Fort Alexander, at the mouth of the Winnipeg River. On the 24th August they occupied Fort Garry, and the two Militia Regiments arrived in a few days.

On the 29th August the first brigade began its return journey, and the whole of the regular troops had safely embarked at Thunder Bay on the 6th October.

Whilst at Fort Garry there was little difficulty in obtaining supplies. Everything requisite can be brought in from the neighbouring State of Minnesota. Fine wheat and vegetables are grown in the Red River Settlement. When beef is required in large quantities the cattle must be imported.

conclusion.

The arrangements made for the Militia wintering in Fort Garry have already been reported to you.

The conduct and qualifications of the Officers and men who served under my orders shall be separately reported on, though here I am bound to say that I am indebted to them all for their hearty co-operation; the zealous manner in which they worked was the secret of our success.

I believe the Control system has proved itself on this occasion to be a sound one ; the Officers of the old Departments worked together under one head with the greatest unanimity, and undoubtedly there was much saving of time and trouble throughout in there being one Department instead of several.

There was no Officer of the Pay Sub-Department with the Force, but the Officers, with one or two exceptions, had all the custody of money at some period during the time the Expedition lasted.

I have the honour to be, Sir,

Your obedient Servant,

M. BELL IRVINE,

Assistant Controller.

*Lieutenant-Colonel Martindale,
Acting Deputy-Controller in Canada,
Quebec.*

APPENDIX.

A.

STANDING ORDERS for the Red River Expeditionary Force.

Toronto, 14th May, 1870.

1. THE Expeditionary Force will proceed from the end of the Thunder Bay Road to the Lake of the Woods in boats. It will move by detachments, consisting of one or more companies. To each company a brigade of 5 boats will be attached.

2. The boats will be numbered, 1, 2, 3, &c., &c., and the brigade will be distinguished by letters beginning at A.

3. In each boat there will be the following tools and equipment:—2 felling axes, 1 pick axe, 1 spade, 1 shovel, 2 hand axes, 2 flanders kettles, 1 frying pan, 2 sails, 2 boat-hooks, 2 spare oars, “making eight in all,” 4 rowlocks, 1 set of blocks (single and double), 1 boat lamp, 6 thimbles for setting poles, 1 dipper, 1 rubber bucket, 1 boat-sponge, 2 cans paint (black and white), 5 lb. assorted boat-nails, 1 double tin oil can, 1 tin, with pitch, 1 tarpaulin, fenders, 60 fathoms tow line, 1 can mosquito oil, &c., &c.; spare plank and tools necessary for repairs. There will also be the cooking utensils, &c., of the boatmen, for which the coxswain of each boat will be responsible. In every boat there will be 30 days’ rations for the soldiers and boatmen, besides, also, about 1 ton of surplus stores.

4. With each brigade of boats there will be a carpenter’s chest of tools, and a fishing net.

5. The scale of rations for every one will be as follows:—1 lb. of biscuit, or $1\frac{1}{2}$ lb. of soft bread, 1 lb. of salt pork, or $1\frac{1}{2}$ lb. of fresh meat, 2 oz. of sugar, 1 oz. of tea, $\frac{1}{2}$ oz. of salt when fresh meat is issued, $\frac{1}{3}$ pint of beans, or $\frac{1}{4}$ lb. preserved potatoes, $\frac{1}{8}$ oz. pepper; the ration of flour, when issued, to be $1\frac{1}{2}$ lb.

6. In each boat there will be three voyageurs, one of whom will be the coxswain, and have entire charge of managing the boat.

7. The officer or non-commissioned officer in command of the men in each boat will render him every assistance in doing so, and any one going counter to his advice must understand that he is taking upon himself a grave responsibility which may possibly affect the safety of the whole party.

8. No one, under any pretence, will be allowed to sit on the gunwale of the boats, and all must learn to sit steadily, moving as little as possible when the boat is under weigh, particularly in rapid water. When under sail the sheets must never be made fast, they must invariably be held by the hand.

9. To prevent supplies being sent to wrong places, it must be remembered that all stores belonging to the Expedition have been divided into three classes, X., Y., Z., and marked accordingly; those marked Z. are to be taken with the force when it finally starts from Fort Francis; those marked Y. are to be left at Fort Francis, and those marked X. at Fort William.

10. Officers commanding companies will not allow, under any pretence whatever, any person not belonging to the force to be carried in the boats, unless he has a written permission, signed by the officer commanding the force or by Lieutenant-Colonel Bolton.

11. The officer in immediate command at the Shebandowan end of the road will be held strictly responsible that no unauthorized person embarks. He will attend at the departure of each brigade of boats to see this order rigidly carried out.

*12. Detachments will be posted temporarily at various portages along the route for the purpose of facilitating the transport of supplies to Fort Francis.

*13. They will carry out this duty as follows: They will daily send back to the nearest portage in rear a sufficient number of boats to carry 15 tons of stores; all the boatmen to be employed on this service, supplemented by as many soldiers as the Officer Commanding on the spot may consider necessary; all soldiers to take their arms and accoutrements with them.

*14. One officer will invariably accompany the boats upon this duty, and will take with him at each trip supplies sufficient for the crews for three days, together with a portion of tools, &c. The remainder of the detachment to be employed daily in carrying over the portage at their post the 15 tons of stores brought up by the boats on the previous day, and loading them in the boats sent back to receive them by the detachment in front.

*15. The day after each detachment has reached its position it will commence operations by sending back for the surplus stores of the detachment in rear. This will be continued daily until all the reserve supplies for Fort Francis have been sent forward.

16. The greatest possible care will be necessary in loading and unloading the boats to guard against their being injured. The Indian voyageurs having had great experience in loading canoes, their advice is to be attended to in this matter.

17. Every one concerned must remember that the success of the undertaking depends upon these boats; and if those provided are rendered unserviceable, they cannot be replaced.

The Colonel Commanding will therefore have no alternative but to leave behind the crews of any boats that are rendered unfit for use.

* Not carried out, *vide* page 10 of Report.

18. Colonel McNeill will be stationed at the Shebandowan end of the road. Special instructions will be issued to him for his guidance.

19. Mr. Meyer will be the Control Officer there, to superintend the shipment of stores. He will be responsible for the loading of the boats, and will decide also the description and amount of stores to be sent with each, in addition to those laid down as forming the equipment of each boat. He will hand over to the Captain of each company, the evening before he starts, the complete equipment of his brigade of boats, receiving a receipt from him for it. The Officer commanding the company will make an exact copy of the list in his pocket-book, specifying therein how he has distributed the stores, &c., by boats, and the name of the officer or serjeant in charge of each boat.

20. Mr. Meyer will also hand over to every officer commanding a company, rations complete for his men and voyageurs for 30 days, taking a receipt for the same; a list of these provisions to be also entered by the captain in his pocket-book. These provisions must be distributed throughout the boats, so that in each boat there will be 30 days' rations for every one in it.

21. Mr. Meyer will also hand over to every officer commanding a company, as much surplus supplies (about 2,000 lb. weight for each boat) as his boats can conveniently carry—Mr. Meyer to be the judge on this point—giving him an accurate list of the articles, which will be sent on with the stores when they are passed forward beyond the portage where the Company is to be temporarily stationed on the line of route. This list will be signed as correct, or otherwise, by all the officers commanding at the several portages when the stores pass through their posts; any article deficient to be noted on the list.

22. After the last detachment has left, the stores noted in the margin will be shipped with as little delay as possible at the rate of 15 tons a day. One, or, if possible, two days before the last 15 tons are to be despatched from Shebandowan Lake, Colonel McNeill will notify in writing, to all the posts in advance, stating when the last of the reserve stores will be sent through. He will send a written Memorandum with the last 15 tons, saying they are the last.

Upon receipt of this information (which will be signed by the Officer Commanding each Detachment, and forwarded on to the next post) Officers Commanding at all posts on the line between Shebandowan and Fort Francis will proceed without delay to the latter place, taking on with them their boats and all their equipments, and the remains of the thirty days' provisions sent originally with them.

23. Upon reaching Fort Francis, they will complete their boats with 30 days' rations for all persons in them, and will embark such surplus stores as the Control Officer, Mr. Mellish, may indicate.

24. As soon as the detachment left at Bear Portage reaches Fort Francis, the 200 men of the 1st Battalion 60th Rifles, which had been stationed there during this movement, will start for the Rat Portage to work at it.

25. By these arrangements the last detachment (that left at Shebandowan Lake) will reach Fort Francis the day after the last 15 tons of the reserve supplies to be stored there reach that place.

26. The detachments from Fort Francis will severally start from thence as soon as relieved by the detachment coming up in rear.

27. Fresh instructions will be issued at Fort Francis with reference to the forward movement from that place.

28. In case of a man falling seriously ill, or being seriously injured whilst the troops are moving to their several stations, the Medical Officer with the detachment will decide whether the illness or injury is of such a nature as to prevent the man from proceeding further. If he pronounces the man as likely to be unfit for work for some time to come, he is to be left behind at the nearest portage where a detachment is to be stationed, in charge of a non-commissioned officer and one man, who will take their arms, accoutrements, &c., &c., with them. A week's provisions to be left for the three men. All Officers Commanding detachments passing by them to see that they have always that quantity in their possession.

As soon the detachment to be stationed at the portage where the sick man has been left arrives, he will be sent with the returning boats to the rear, to be forwarded on to the hospital at Fort William.

If there is no Medical Officer with the detachment, the sick man will be left behind in a similar manner until the arrival of a detachment having a doctor with it.

In both cases the non-commissioned officer and private left with the man will proceed on to join their company as soon as the man has been sent to the rear.

The Officer Commanding the 12th detachment, whilst *en route* between his post at the Kashaboiwe Portage and Fort Francis, will use his own discretion as to whether he will send serious cases of illness to the hospital at Fort William, or take them on with him to Fort Francis. If he can possibly do so he should send them to the former place.

29. Officers commanding detachments, from the time of their embarking at Shebandowan, will keep a journal of their route, entering the exact hour they start each morning, the hours they halt for meals and start again, the time they reach their halting place for the night, giving the name of the place, the state of the weather, whether they used oars or sails during the day, &c., &c. All irregularities committed by their men to be recorded. They will also state whether they found the fires made by the previous detachment still burning or not.

Barrels of flour
Barrels of pork.
Bags of biscuits.
Chests of tea.
Barrels of sugar.
Bags of beans.
Tins of pepper.
Bags of salt.
Tins of potatoes.

30. The officers commanding the several detachments posted at the portages will encamp their men in as compact order as possible on the end of the portage nearest to Fort Francis, except when from the marshiness of the ground, or other peculiar causes, there are good reasons for departing from this order.

They will pile up their provisions close to the landing place, at the Fort Francis side of the portage, covering them over with the boat tarpaulins, and doing everything in their power to protect them from the weather.

The boats will remain on the Shebandowan side of the portage, every precaution being taken to secure them at night by their painters to the shore. When there is a good beach they should be hauled up for the night, being launched every morning.

31. Each detachment will have a guard, consisting of at least three men per company. They will mount with arms and accoutrements. Up to Fort Francis the arms for the other men will remain in their arm chests, unless when for special reasons the officers commanding detachments may consider it necessary for the men to keep their arms in the tents.

The arms, if kept in these arm chests, must be frequently inspected by the Captains of companies, to see that they are free from rust, and in good and serviceable order.

32. The greatest possible precautions to be taken to guard against the woods being set on fire.

The cooking places will be established as near the water as possible, and no other fires are to be allowed in the camp without the express permission of the officer commanding the detachment, who will assure himself, before giving such permission, that there is no danger to be apprehended.

When on the move, officers commanding companies will be held responsible that all fires are extinguished previous to their leaving a camp.

33. As a rule, the reveille will sound at 3 A.M. every morning, and the boats will start as soon after that as possible, the men to have some hot tea before starting. The boats of each brigade must keep as near together as possible, the Captain with his Bugler being in the leading boat; the senior Subaltern and a Serjeant in the rear boat.

A halt of one hour will be made at 8 A.M. for breakfast; another halt of an hour at 1 p.m. for dinner. Officers commanding companies may, of course, depart a little from these hours for meals, but under no circumstances is more than an hour to be allowed for each meal. They will always halt for the night at least one full hour before dark, so that there may be ample time to establish the camp for the night. When on the move it is not advisable to pitch tents except when it rains or threatens to do so—even then the smallest possible number should be pitched.

34. When it is necessary to track the boats, the crew will be divided into two parties, each consisting of four or five soldiers and one voyageur. Serjeants are not to be employed in tracking.

These two parties to relieve one another every two hours. Officers and non-commissioned officers in charge of boats will see that the men returning to the boats after tracking, put on their serge frocks at once, which are not to be removed for at least half an hour afterwards.

35. All officers belonging to this Force will be most careful in impressing upon those under their command the great necessity there is for cultivating the good will of the Indians and others employed as voyageurs.

Colonel Wolseley will punish with the utmost severity any one who ill treats them.

The same rule applies to all Indians who may be met on the line of route.

It must be remembered that the Government has made a treaty with them securing the right of way through their country; all are therefore bound to protect them from injury, and it is of special importance that our intercourse with them should be of the most friendly nature.

No Indians but those actually attached to the Force are to be allowed to pass the night in our camps.

G. J. WOLSELEY, *Colonel,*
Commanding Expeditionary Force.

ADDITIONAL INSTRUCTIONS.

1. It is possible that some of the men embarked at Shebandowan Lake as voyageurs may be found to be incapable of managing boats.

Officers commanding brigades of boats will send back, by the first opportunity that presents itself any such soi-disant voyageurs.

It is not enough that they should be able to row, but they must be capable of skilfully managing a boat. We require no assistance in rowing, and passengers cannot, under any circumstances, be allowed to accompany the Expedition. Mr. Dawson has been requested to explain this order to all engaged as voyageurs.

2. Before starting each morning after leaving Shebandowan, the Subaltern in charge of the last boat with a couple of men will go round the camp to see that nothing has been left behind.

3. At every portage officers or non-commissioned officers in charge of boats will invariably check over the articles as they are put into their boats to see that they agree with the lists in their pocket books.

4. No one to go beyond 150 yards from the halting places.

B.

STATEMENT showing the Quantity of Flour, Hops, Malt, Salt, &c., consumed, and Bread produced at the various Camp Stations *en route* to Red River from 28th May to 18th September, 1870.

Stations.	Period.		Consumed.						Bread Produced.	Gain, per cent.	Remarks.
	From	To	Flour.	Hops.	Malt.	Salt.	Potatoes.	Grease.			
Thunder Bay	28th May ..	4th July, 1870	lbs. 37,709	lbs. 7	lbs. 37	lbs. 667	lbs. 950	lbs. 8	lbs. 51,078	35·45	
Matawan Bridge.. ..	7th July ..	13th July "	5,653	1½	8	98	104	4	7,650	35·32	
Dam Site.. ..	15th July ..	18th July "	1,885	1	5	48	58	1	2,550	35·22	
Fort Francis	10th August ..	18th Sept. "	4,995	5½	28	88	120	9	6,803	36·19	
Total.. ..	..	..	50,242	15	78	901	1,232	22	68,081	35·50	

Assistant Controller M. B. Irvine,
Controller, Red River Expedition.

JOS. JARVIS, Serjeant,
Army Service Corps

D.

NOTE by Captain Redvers H. Buller, 1st Bn. 60th Royal Rifles, on the Pack Saddles used in the Red River Settlement.

Those of our horses (about half the lot, the rest having common Mexican saddles) that had pack saddles were equipped as follows:—two pairs of $1\frac{1}{2}$ -inch square oak sticks about 18 inches long were “halfened” into one another, forming two St. Andrew crosses, the upper limbs of which were 4 inches long; the last 8 inches of the lower limbs being beveled off on the inside, they (the crosses) were screwed about 12 inches apart on to two plates of 1 inch thick deal about 18” by 9”. Under each plate was fastened a canvas pad stuffed more or less full of the wild grass of the country, according to the back of animal. The pads were, in some cases, in one, thrown over the back; in some cases single, one under each side of the tree. Under these, again, it was usual when they were forthcoming, to fold a blanket or buffalo robe, but this was not necessary.

The saddle was secured by a crupper and girth of hide.

The loads were then enclosed in “pac flêches,” or undressed half hides, in which, about 12 inches from the upper edge on each side the centre, two slits were cut the same distance apart as the cross trees of the saddle, and through them two loops were passed and secured inside by a stick being passed through them.

The “pac flêches,” thus arranged, were folded and laced over the loads and hung one on each side, the loops being knotted so as to allow the load to hang nearly parallel to the animal’s sides, and the whole was then secured by a raw hide surcingle.

When nicely balanced loads thus packed were very firm; our horses fell again and again, and forced through trees and so on, but never moved them.

When not well balanced the load either fell off or galled the horse.

The jolts sent our horses through the surface of the bogs, so I can form no idea of what the horses could have carried on a good road. Grant told me that from 180 lbs. to 250 lbs. was the usual thing in the Rocky Mountain country.

I should add that a seizing of raw hide secured the joint of the cross-trees.

(True copy)

M. BELL IRVINE, *Assistant Controller.*

Quebec, 28th October, 1870.

(Signed) A. MEYER,
Deputy Commissary.

CORRESPONDENCE

RELATIVE TO THE

RECENT EXPEDITION

TO THE

RED RIVER SETTLEMENT:

WITH

JOURNAL OF OPERATIONS.

Presented to both Houses of Parliament by Command of Her Majesty, 1871.

LONDON:

HARRISON AND SONS, ST. MARTIN'S LANE.

1871.

[C 298. Price 1/-.]

CORRESPONDENCE Relative to the Recent Expedition to the Red River Settlement: with Journal of Operations.

No. 1.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir,

24th March, 1870.

I AM directed by Mr. Secretary Cardwell to transmit, for your information and guidance, the inclosed extract of a letter from the Colonial Office, containing instructions on certain points connected with your mission to Canada. Mr. Cardwell desires me to request that you will report home your intended arrangements as soon as you are in a position to do so, in order that the proper instructions may be given to the Admiralty and other departments concerned.

I am, &c.

EDWARD LUGARD.

Enclosure in No. 1.

The Colonial Office to the War Office.

(Extract.)

23rd March, 1870.

IT is possible that General Lindsay may be required by Sir John Young to send to the Red River Territory a detachment not exceeding 200 infantry and a small force of artillery, in company with a larger body of Canadians, to maintain order in that settlement during the process of its annexation to Canada.

The British Force should leave the Red River Territory at latest at the end of September, so as to embark for England during the season of 1870, unless they form part of a Regiment which is to remain in the Dominion.

General Lindsay will consult Sir J. Young with regard to the selection of the force itself, and of the officer who is to command it, on whose firmness, prudence, and judgment much may depend.

The selection of the officer will be still more important if, as is possible, the Canadian Government should desire him to act as the first Civil Lieutenant-Governor of the district.

General Lindsay will of course be responsible for all arrangements affecting the safety and health of the troops.

No. 2.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir,

24th March, 1870.

WITH reference to my letter of this day's date, enclosing copy of a letter of instructions for your guidance in your present mission to Canada, I am directed by Mr. Secretary Cardwell to add, with reference to so much of the letter from the Colonial Office as relates to a possible military expedition to the Red River Territory, that although Her Majesty's Government do not sanction or contemplate the detention of the troops in the Red River Settlement during the winter of 1870-71, yet it will be your duty, before the troops leave for it, to ascertain from the Canadian Government that precautions will be taken sufficient in your judgment to ensure the practicability of housing and victualling them during that period, if, from any unforeseen circumstances, that detention should take place.

You will, however, take care that in making these enquiries you do not hold out to the Dominion any hopes of the Imperial Government consenting to their being so kept.

I am, &c.

EDWARD LUGARD.

No. 3.

The War Office to Lieutenant-General The Honourable James Lindsay.

Sir,

28th April, 1870.

I AM directed by Mr. Secretary Cardwell to transmit for your information, and that of the expedition which may proceed to the Red River, the accompanying Maps (40 mounted and 40 unmounted) of that Territory and its approaches; and also 80 copies of a smaller Map, showing the last part of the route.

Eighty copies of notes upon the country, from Lake Superior to the Red River Settlement, and on the Settlement itself, are also forwarded herewith.

I am, &c.

EDWARD LUGARD.

No. 4.

*Telegram from Lieutenant-General the Honourable James Lindsay
(Received April 28, 1870).*

Ottawa, 28th April, 1870.

FOR military reasons, and to leave garrisons at Fort Francis and Fort William, I request authority to send 350 of the 60th Regiment instead of 200. I have arranged with Canadian Government that all extra expenses of more than 250 Regulars shall be borne by Canada.

I propose to give free rations and no [?] working pay, about sixpence per man per day, also extra kit necessary for this service, about fifty shillings.

3

No. 5.

*The War Office to Lieutenant-General the Honourable James Lindsay
(Telegram sent 2nd May, 1870).*

IF the Expedition shall eventually be determined upon there will be no objection to your sending the additional number you propose of the 60th Regiment, all extra expenses being paid by Canada.

No. 6.

Lieutenant-General the Honourable James Lindsay to the War Office.

Sir, *Montreal, 15th April, 1870.*

I HAVE the honour to inform you that I have been to Ottawa and seen the Governor-General.

The Delegates from Red River had not arrived when I left, on the 11th April, and His Excellency was not in a position therefore to say whether he would require troops to go to that settlement or not.

I have, however, ascertained what supply and transport arrangements the Canadian Government has already entered into, and am looking into the whole question thoroughly, so as to be prepared to assume the "responsibility for all arrangements affecting the safety and health of the troops."

I have, &c.

JAMES LINDSAY, *Lieutenant-General,*
Commanding Ontario and Quebec.

No. 7.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir, *5th May, 1870.*

THE Secretary of State for War has received your telegraphic message of 28th ultimo in the following words:—

"FOR military reasons, and to leave garrisons at Fort Francis and Fort William, I request authority to send 350 of the 60th Regiment instead of 200. I have arranged with Canadian Government that all extra expenses of more than 250 regulars shall be borne by Canada.

"I propose to give free rations and no [?] working pay, about sixpence per man per day, also extra kit necessary for this service, about fifty shillings."

and by his direction I have replied as follows:—

"IF the Expedition shall eventually be determined upon, there will be no objection to your sending the additional number you propose of the 60th Regiment, all extra expenses being paid by Canada."

Mr. Cardwell has not learnt from the Secretary of State for the Colonies that the Expedition has been positively resolved upon; but considering the season, already so far advanced, and the shortness of the interval during which it will be possible to march to and from Fort Garry, it is quite right that you should have taken all preliminary measures so as to be prepared to move without delay, so soon as the definite instructions shall be given you.

The Secretary of State for War has no objection to your increasing the force in the manner you propose,—on the terms mentioned in your message. He presumes that you will have communicated by post the full

particulars of the arrangement, and will have informed him clearly not only as to the agreement between you and the Government of the Dominion for the ultimate payment, but also as to the charge which is likely to fall upon the estimates voted for the present year. It is important that he should be fully informed upon this point, while Parliament is still sitting.

The arrangement you propose as to food, clothing, and working pay, appears to him satisfactory.

I am directed to remind you that so far as the Secretary of State for War is yet informed, there is no intention that any part of the Imperial Force shall remain at Fort Garry during the winter; and he is not prepared to authorize you to hold out any such expectation to the Government of the Dominion. At the same time it is not possible to foresee what circumstances may arise to render a return impossible, and it is above all things necessary to make such arrangements that no risk shall be incurred of any part of the Expeditionary Force being exposed to suffering from hunger, or severity of climate. Provisions, in ordinary times, are cheap at Fort Garry, being easily purchased in the State of Minnesota; but I am directed to remind you that it will not do to rely on this source of supply for the present Expedition, and that the stores hitherto kept at Fort Garry by the Hudson's Bay Company are in all probability long since exhausted.

I am, &c.
EDWARD LUGARD.

No. 8.

Lieutenant-General the Honourable James Lindsay to War Office.

Sir, *Head-Quarters, Montreal, 27th May, 1870.*
I HAVE the honour to inform you that upon my arrival in Canada on the 5th April, I proceeded, in compliance with the instructions contained in Lord Granville's letter of 23rd March, 1870, to confer with the Governor-General on the subject of sending a military expedition to Red River, and beg to enclose you the correspondence that ensued.

- Inclosure No. 1.—To Governor-General, 11th April.
- „ 2.—From Governor-General, 20th „
- „ 3.—To Governor-General, 23rd „
- „ 4.—From Governor-General, 27th „
- „ 5.—To Governor-General, 27th „
- „ 6.—From Governor-General, 2nd May.
- „ 7.—From Governor-General, 7th „

I felt from the first that the force, though mixed, was an Imperial one, and that I was responsible for everything connected with it, I therefore looked into the details of its organization, supply, equipment, and transport, the division of expenses, and plan of operations.

I was thus prepared to comply at once with his Excellency's official requisition to start the Expedition, which I received on the 9th May, and I issued the enclosed General Order (Inclosure No. 8) on the 10th, announcing the composition and organization of the force.

The strength of the different corps is as follows:—

Corps.	Officers.	Men.
Royal Artillery	1	19
Royal Engineers	1	19
1st Battalion 60th Rifles	21	352*
Army Service Corps .. .. .	..	12
Army Hospital Corps .. .. .	..	8
1st (Ontario) Battalion of Militia	27	355
2nd (Quebec) Battalion of Militia.	27	292†

* 29 of these serjeants, and 10 buglers. † To be completed to 350.

The detachment of Royal Artillery has four muzzle-loading rifled 3-pr. mountain guns, with 200 rounds a gun, but probably only half this equipment will be taken beyond Fort William.

Colonel Wolseley's appointment to the command has the full approval of his Excellency the Governor-General and his Government, and I consider it very fortunate that an officer who knows Canada and its Volunteers so well, and who has so much ability and experience, should have been available for this service.

Brevet Lieutenant-Colonel Bolton, R.A., who I have appointed Deputy-Assistant Adjutant-General and Senior Staff Officer, is a man of capacity, and has the advantage of having passed through the Staff College.

Assistant Controller Irving has been specially selected at the War Office for this service, and Colonel Wolseley writes me that he has every confidence in him.

Surgeon-Major Young accompanies his regiment, and acts as Principal Medical Officer.

Colonel Fielden is in command of the 60th Rifles, and is the next officer in seniority to Colonel Wolseley. He is an excellent officer, and his regimental experience has already been brought into play in getting the Militia battalions into shape.

In organizing the Staff and Control, I have kept in view the withdrawal of the regulars from Fort Garry before the end of August, and have desired to facilitate, as much as possible, the assumption of these duties by the Militia.

Lieutenant-Colonel Jarvis (Deputy Adjutant-General Militia, 4th District), a regular officer on half-pay, formerly Adjutant of the Staff College, will succeed to the command, while Major McLeod and Captain Peebles respectively will take over the Staff and Control duties. I have ordered Colonel Wolseley to see that these officers learn their duties.

Until, however, this withdrawal shall take place, the Force will preserve its distinctly Imperial character, and I shall be responsible for it.

For this reason I have been very anxious that the two Battalions of Militia should come up, as far as possible, to the standard of Her Majesty's Regular Forces, that the Field Officers should be carefully chosen, none but strong and drilled men accepted, and that their personal equipment should be good.

I also desired to get the men together early, in order that they might be instructed.

The division of the Militia portion of the Force into two battalions, one from Ontario, the other from Quebec, and the apportionment of the number of volunteers required (700) between seven Militia Districts in the Provinces of Ontario and Quebec was, I presume, made for sectional and religious reasons. This political measure has greatly delayed the formation of the Quebec Battalion, which, as I write, still wants 58 to complete, though I have assisted it in every possible way by lending Staff Serjeants from the Royal Canadian Rifles, and by hastening the discharge of other men of that Corps, that they might volunteer to the Militia for the Expedition.

Of the 292 men in its ranks, not more than one-fourth at most are French Canadians.

Both Militia Battalions were formed at Toronto, where a wing of the 60th has been quartered all winter. Colonel Wolseley joined the Force there on the 5th May with his Staff and Control.

I now proceed to refer to the Supply and Transport arrangements.

On my arrival I found that the Canadian Government had already purchased provisions, horses, and forage; ordered boats and carriages, and hired teamsters. I thought it best that they should complete the transactions into which they had entered, and finding that the number of boats, vehicles and horses, was insufficient, I begged the Canadian Government to get more of those supplies, and to hand over the whole of them to the Control when completed, and that arrangements for all future purchases should be made by the Control. I also considered it expedient that the Government should hire the necessary Indians and voyageurs. They were required in great numbers, and could therefore only be obtained from various and remote places; so that this transaction could be better performed by the Government than by the Controller.

Collingwood, the natural point of departure for Lake Superior, is connected with Toronto by rail, so that, so far, there was no difficulty.

I early directed the attention of the Dominion Government to the necessity of control over steamers in both lakes, informing them that I considered it their duty to furnish the necessary transport, and on the 28th of April, I applied for a permanent steamer to be stationed on Lake Superior. Having proceeded to Collingwood on 5th May, with my Controller, I ascertained that no arrangement had been made. The Canadian Government would not trust to my hiring steamers, but, consequent on the urgency of my representation, they placed the duty in the hands of the Postmaster-General. This took me again to Ottawa.

In the meantime the difficulty respecting the canal at Sault St. Marie came up, and found the Government unprepared, though on the 28th April I had specially begged that it might be provided against. As His Excellency will report, doubtless, fully on this subject to the Secretary of State for the Colonies, I need not go into it.

The arrangements for the Lake Transport are now complete and in operation. They have, however, been much complicated by the unfriendly action of the United States Government, in closing the canal at Sault St. Marie. Owing to the firm remonstrance of the Governor-General it is now open, but Colonel Wolseley had been already obliged, between the 14th and 16th May, to send 200 men of the 1st Battalion Militia, with horses and wagons, to carry everything across the portage.

Besides the Supply and Transport of the Expedition, I undertook its Equipment, excepting the personal equipment of the Militia, articles for which were, however, drawn from our Stores on repayment.

I believe that since the Canadian troops were handed over to me at Toronto, everything has been done to instruct them, and that the arrangements for the health and safety of the whole Force have been carefully considered and prepared.

The necessity for going twice to Ottawa to spur on the authorities, and the difficulty towards the close of a busy Session of getting the Government to attend to my business, and my visit to Toronto and Collingwood, have prevented my reporting to you earlier. I have, for the same reason, been prevented until the other day going into the division of expenses between the two Governments.

I send, in another despatch, a copy of a communication that I have addressed to the Governor-General on that subject, and I also, by this mail, report separately my instructions to Colonel Wolseley, and the general plan of operations.

I have, &c.

JAMES LINDSAY, *Lieutenant-General,*
Commanding Ontario and Quebec.

Delayed on
account of
Fenian
inroads.

Inclosure 1 in No. 8.

MEMORANDUM by Lieutenant-General the Honourable James Lindsay, dated Ottawa, 11th April, 1870.

1. In the event of the Dominion Government determining to send an expedition to the Red River Settlement, and on its being decided that Her Majesty's Troops shall form part of the Force, I submit that it should consist of 1,000 men, of which one-fourth should be composed of regular infantry, with a proportion of Royal Artillery and Engineers, the remainder of the Force being provided by the Dominion Government.

2. I beg to submit the name of Colonel Wolseley, Deputy Quartermaster-General in British North America, as the Commander of the combined Force.

3. With reference to Colonial portion of the Force, it may be worthy of consideration by the Dominion Government, whether they will be disposed to avail themselves of the services of the Royal Canadian Rifles. This Regiment is to be disbanded immediately, and there is no doubt that some of the officers, and many of the rank and file, will be anxious to remain in Canada.

Many of the latter will be, doubtless, glad to settle in the country, and form a body of loyal settlers.

It is for the Government to consider whether it would be expedient to engage these men for a year's service, with the promise of an allotment of a specified number of acres, and free rations for the first year of possession.

If the Government have any views with reference to these men, either as regards the Red River Expedition, or with reference to the formation of a Colonial Military Force, I suggest that they should give the subject a very early and serious consideration.

4. The number of Volunteer Militia to be raised for service in the Red River Territory, will depend upon the intentions of Government with reference to the above paragraph.

At all events, it appears necessary that a force of from 700 to 800 men should be prepared.

I am given to understand that it is proposed to select a quota from each Militia District, from those who have volunteered for the expedition.

I urge that no time should be lost in bringing these men together in one or two localities, in order that they may be organized in companies and drilled; that officers and men should become acquainted with one another, and that the Force should be thus brought into a state of discipline.

If possible they should be placed in barracks.

5. I strongly recommend that the officers selected to command battalions should be men who have served in the Army, or should be men well-known, as qualified for the command of men, and for knowledge of the arrangements of an embodied regiment.

The selection of Field Officers and Captains will also require very careful consideration.

I think it necessary that I should be informed of the views of the Dominion Government, as to the method in which it is proposed to officer this Force.

Some officers of the Royal Canadian Rifles will be available for any purpose to which they may be appointed.

6 It is fully understood that the regular portion of the Force is to return from Red River before next winter: it is therefore necessary that the Dominion Government should select an officer to command one of the battalions, to act as second in command to Colonel Wolseley, whom the Dominion Government may consider qualified to assume entire charge of the Force when the latter leaves the settlement.

7. In the event of any unforeseen circumstances necessitating the retention of the Regular Troops at Fort Garry during next winter, what precautions will be taken to ensure the practicability of housing them, and the remainder of the Force?

8. It is indispensable that the organization of the Expeditionary Force should be at once entrusted solely to me.

I will, in that case, assume all responsibility in the matter.

9. As it is understood that, previous to my arrival, the Militia and other departments, in order to save time, have purchased stores, boats, &c., &c., I have to request the fullest possible information as to the articles, and amounts already purchased or contracted for; the places where they are now stored; or where and when they are to be delivered.

I will then take steps for having them duly inspected.

10. I intend appointing a Control officer to take charge of all duties connected with feeding, and the transport of the Force.

I expect this officer to reach Montreal next week.

It will be necessary that all the stores in the preceding paragraph should be handed over to him.

11. All further purchase of stores, &c., &c., &c., for this Expedition by the Dominion Government, to cease from this date, except for such articles as I may consider, and deem it advisable for the public service should be purchased by them, in which case I will specially apply for them.

12. I understand that 100 boats have been, or are now being built.

If the Force is to consist of 1,000 men, 100 boats will just carry that number, no allowance being made in the calculation for any loss of boats.

I am of opinion that a considerable margin should be allowed for such losses, in consideration of the extremely severe work they will have to endure, and the damage to which they must necessarily be exposed in taking them over the numerous portages, and the running the many dangerous rapids along the route.

It will also be necessary to keep open the communication between Forts William and Francis, after the Force has finally started from the latter place, for the purpose of forwarding on stores and provisions.

An additional number of boats will therefore be required for this service.

Under these circumstances I consider it indispensable that at least 40 more boats should be at once contracted for, to be built with the least possible delay.

As the Public Works Department is already in communication with the principal boat builders in these provinces, I think that these 40 additional boats should be procured by that Department.

13. Forty carts or wagons are said to have been provided for the conveyance of boats and stores from Thunder Bay to Shebandowan Lake.

The importance of getting them rapidly over this part of the journey cannot be too highly estimated.

It is necessary that two months' provisions should precede the main body of the Force, and that they should be stored at Fort Francis before the troops make their final start from thence.

It appears indispensable that 40 more carts should be provided to avoid delay, and to provide for casualties.

It is also desirable that a few huts should be erected at Fort William and Shebandowan Lake, for the purpose of sheltering the stores.

14. It has been stated that some small number of men to act as mounted police, have been already enrolled for service in the Red River Territory.

It is understood that the officer to command them has been already nominated; the fullest information is requested as to what has been already done in this matter, if it is intended that these men are to form part of the Expeditionary Force.

I am all the more anxious on this point, because I consider it to be a *sine quâ non* that no one should accompany this Expedition who has been in any way personally connected with the Honourable Mr. Macdougall's party, or with the Red River affairs, during the recent unfortunate disturbances in that territory.

JAMES LINDSAY, *Lieutenant-General*.

Inclosure 2 in No. 8.

The Deputy of the Minister of Militia to the Military Secretary.

*Department of Militia and Defence,
Ottawa, April 19, 1870.*

Sir,

WITH reference to the Memorandum of Lieutenant-General Lindsay of the 11th instant, submitted by you on the same day, I am directed by the Honourable the Minister of Militia and Defence to furnish the following replies to the various paragraphs thereof, with a request that his Excellency the Governor-General may be pleased to transmit the same to the Lieutenant-General Commanding:—

1. With reference to the proposed Expedition to the Red River Settlement, the Dominion Government will supply the proportion of the force suggested in the 1st paragraph as hereinafter explained (paragraph 4).

2. The Canadian Government learn with much satisfaction that the Lieutenant-General Commanding intends to appoint Colonel Wolseley as Commander of the combined force.

3. With reference to the Royal Canadian Rifles, the Canadian Government do not intend to avail themselves of the proffered services of the men of that corps.

4. Measures have been taken for the raising of a force of between 700 and 800 men as proposed in the 4th paragraph.

The inclosed copy of an Order in Council of the 16th instant (A) and of the Report of the Adjutant-General of Militia annexed to it, will afford a full reply to the 4th paragraph.

It shows that a quota of the proposed force is to be selected from each Militia District from those who volunteer for the Expedition so soon as the men have been duly mustered in their respective districts. The Lieutenant-General Commanding will be informed of their readiness to meet at such place or places as he may be pleased to direct.

5. In the selection of Field Officers and Captains, every care will be taken that fully competent officers will be appointed.

Each of the battalions mentioned in the above Order in Council will be commanded by men who have served with the army, and who are well known as qualified for the command of men, and for their knowledge of the arrangements of an embodied regiment. The selection of those gentlemen has been made from the Deputy Adjutants-General of the Militia of the Dominion of Canada, one from the Province of Ontario, and one from the Province of Quebec, the former being Lieutenant-Colonel Jarvis, Deputy Adjutant-General for Military District No. 3, and the latter, Lieutenant-Colonel Casault, Deputy Adjutant-General for Military District No. 7, both of whom have considerable military experience as British military officers.

6. Either of the above officers selected to command the two battalions, is considered well qualified to act as second in command to Colonel Wolseley, and to assume the entire charge of the force when the latter leaves the Red River Settlement. As a matter of course the senior would take the command.

7. The information required by paragraph 7 is furnished by the memorandum of Mr. S. J. Dawson herewith annexed (B).

8. By paragraph 8 of the Report the Adjutant-General of Militia attached to the Order in Council of the 16th instant, it will be seen that so soon as the number of men to be furnished by the Canadian Government have been duly mustered in their respective districts, they will be placed at the disposal of the Lieutenant-General Commanding as suggested by him, with a view to his assuming all responsibility in the matter.

9. The information required by this paragraph has been already furnished in a Report made to Lieutenant-General Lindsay by Lieutenant-Colonel Wily, of which Report a copy is hereto attached (C).

10. All stores that have not already been transferred will be handed over to the Control Officer by Lieutenant-Colonel Wily, who has been instructed to furnish any further information that may be required with reference thereto, and who for such purpose is placed entirely at the disposal of the Lieutenant-General Commanding.

It is suggested, as already stated in a letter to the Military Secretary, that no expenses for transport, nor any large expenditure connected with the Expedition to Red River should be incurred, nor any contract entered into for the same without previous communication with the Dominion Government, so as to avoid any undue advantage being taken by contractors, or extravagant charges being made by them. Lieutenant-Colonel Wily has been instructed to give every required assistance to the Control Officer.

11. No further purchase or acquisition of stores beyond those already contracted for, as shown by Lieutenant-Colonel Wily's Report (C) will be made, except on application of Lieutenant-General Lindsay.

12 and 13. Besides the information afforded in reference to this paragraph by Mr. Dawson's Report (B), instructions have been given to Mr. Dawson for the erection of huts at Fort William and Shebandowan Lake, for the purpose of sheltering the stores, &c., for the building of five additional boats, is complete, the required number (140), as well as for the making of 40 carts.

14. A mounted police force of 50 men is to be sent for service in the Red River territory. It will be commanded by Captain Cameron, R.A., with instructions to increase the force to 200 men from the people at Red River. Captain Cameron was on service in the Artillery at Halifax, and was *seconded*, at the request of the Canadian Government, at the Horse Guards, for the purpose of his proceeding to Red River as the head of the police. With regard to the concluding paragraph, care will be taken that the suggestions therein made be duly carried out.

Respecting the letter of the Military Secretary (Lieutenant-Colonel Earle) of the 13th instant, inclosing Memorandum of Colonel Wolseley of the same day, referred by you on the 16th instant, the Honourable the Minister of Militia and Defence directs me to state that a copy of the parts thereof relating to the Hudsons Bay Company has been transmitted to the agent of that Company, and that so soon as an answer is received it will be duly communicated to you, and that the subject of a negotiation with the Rainy Lake Indians will have due consideration from the Canadian Government.

I have, &c.

GEO. FUTVOYE.

Deputy of Minister of Militia and Defence.

A.

COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council, on the 16th April, 1870.

ON the recommendation of the Honourable the Minister of Militia and Defence, the Committee advise that in view of the contemplated expedition to the North-West Territory, the annexed Report from the Adjutant-General of Militia, submitted by him, be approved and adopted, and the measures therein recommended taken and carried out.

Certified,

WM. H. LEE, *Clerk P. C.*

*Department of Militia and Defence,
Ottawa, 16th April, 1870.*

IN view of the contemplated expedition to the North-West Territory, the undersigned respectfully submits the annexed Report of the Adjutant-General of Militia, and recommends that the several suggestions therein made be adopted, and the measures therein recommended be taken and carried out.

GEO. E. CARTIER,
Minister of Militia.

The Adjutant-General of Militia to the Minister of Militia.

*Militia Department, Canada,
Head Quarters, Ottawa, 15th April, 1870.*

Sir,

IN view of the contemplated expedition to the North-West Territory, I have the honour to request that the following steps may be taken without delay:—

1. That two battalions of riflemen, of 350 non-commissioned officers and men per battalion (exclusive of officers), be raised in the provinces of Ontario and Quebec, and engaged to serve as

soldiers for one year, or for such longer period as the government may require, but not exceeding two years in all.

2. That these battalions should consist of seven companies, each of 50 non-commissioned officers and men, having one Captain and one Lieutenant, and one Ensign to each company.

3. That the staff of each battalion should consist of—

1 Lieutenant-Colonel.	1 Serjeant-Major.
1 Major.	1 Quartermaster-Serjeant.
1 Adjutant, with rank of Lieutenant.	1 Hospital Serjeant.
1 Paymaster.	1 Armourer Serjeant.
1 Quartermaster.	1 Paymaster's Clerk.
1 Surgeon.	

Thus making the strength of each battalion 382, including officers, staff serjeants, non-commissioned officers and men, and that one Chaplain be attached to each battalion at the usual rate of pay.

4. It is recommended that the men to form these battalions may be engaged by voluntary enlistment to serve therein from the existing corps, if possible, of active militia, in the following proportions, viz. :—

Military District.				Companies.	Officers.	Men.
No.	1	..	..	2	3	50 per cent.
"	2	..	..	2	3	50 "
"	3	..	..	2	3	50 "
"	4	..	..	1	3	50 "
"	5	..	..	2	3	50 "
"	6	..	..	2	3	50 "
"	7	..	..	3	3	50 "

5. That the rates of pay and Allowances to the officers of these battalions be as laid down in paragraph 286 of the Regulations and Orders for the Active Militia, with free rations when on the march or encamped, and the pay of the non-commissioned officers and men as follows :—

				Dollars.	
Serjeant-Major	..	..	..	20	per month.
Quartermaster-Serjeant	..	..	..	20	"
Paymaster's Clerk	..	..	..	18	"
Hospital Serjeant	..	..	..	18	"
Armourer Serjeant	..	..	..	18	"
Colour Serjeant	..	..	..	18	"
Serjeant	..	..	..	15	"
Corporals and Buglers	..	..	..	13	"
Privates	..	..	..	12	"

Non-commissioned officers and men to receive in addition to their pay free rations and lodgings.

6. That immediate instructions be given to the Deputy Adjutants-General of the districts named, to call for such number of men as are authorized in paragraph 4, care being taken that the men so selected shall be between the ages of 18 and 45 years, of good character, sober habits, and physically fit for the service, and that each man so engaging be subject to a final medical examination at the district head-quarters.

7. That each man on final approval be required to sign a service roll, and be regularly attested before a magistrate at the district head-quarters, where the total number of men authorized for such district be mustered not later than the 1st of May, there to be billeted and await concentration.

8. That such concentration should take place as soon as circumstances will admit after such muster, at such place or places as shall be indicated by the Lieutenant-General Commanding.

9. That each non-commissioned officer and man be outfitted on enlistment with a free kit, and properly clothed, armed, and equipped.

10. That the two battalions be clothed as riflemen, and armed and equipped as follows :—

1 Short Snider Enfield Rifle, sword bayonet, and accoutrements complete.	1 Cloth (Rifle) Tunic.
60 Rounds Service Ammunition.	1 Pair Cloth Trousers.
1 Knapsack.	1 Great Coat.
1 Haversack.	1 Forage Cap.
1 Water Bottle.	1 Pair Beef Boots.
1 Iron Plate and Mug.	1 Pair Ankle Boots.
1 Blanket.	1 Linen Blouse and pair of Trousers.
1 Waterproof Sheet.	1 Mosquito Net.

The free kit to consist of—

2 Flannel Shirts.	1 Box of Blacking.
2 Pairs of Socks.	1 Tin of Waterproof Blacking.
1 Pair of Braces.	2 Darning Needles.
2 Linen Towels.	1 Piece of Darning Yarn.
1 Knife, Fork, and Spoon, with hold-all.	2 Ordinary Needles.
1 Cloth Brush.	1 Hank of Thread.
2 Blacking Brushes.	1 Piece of Soap.
1 Comb.	

In addition to articles for winter use, there will be provided—

1 Tunic (Cloth).	2 Knitted Under Shirts.
1 Pair Cloth Trousers.	2 Pair Knitted Drawers.
1 Winter Cap (Fur).	1 Muffer.
1 Pair Mitts.	

11. That with the exception of uniform clothing and boots, should subsequent issue of necessities be required, such issues to be on repayment.

12. That each Deputy Adjutant-General of the Districts named be instructed to recommend the names of one Captain and one Lieutenant, and one Ensign for each company authorized to be raised in their respective Districts, and whom they may consider best qualified to act as Captain and Lieutenant and Ensign to these Companies.

13. That the selection of the Field Officers and Battalion Staff should be undertaken by the Adjutant-General, subject to approval.

I am, &c.

P. ROBERTSON ROSS.

Colonel, Adjutant-General of Militia.

The Honourable

The Minister of Militia and Defence

B.

MEMORANDUM by S. J. Dawson, in reference to Sections 7, 12, and 13 of General Lindsay's Report of 11th April, 1870.

Ottawa, 14th April, 1870.

1st.—In regard to section 7, as soon as order has been re-established in the Red River Settlement, there could, I am confident, be no difficulty in housing a force of 1,000 men, by stationing a portion thereof at the Stone Fort, a part at Fort Garry, and the balance in buildings near the latter place.

At the Stone Fort an area of about six acres is enclosed within the walls, a considerable portion of which is laid off in lawn and garden, the Fort contains several substantial stone buildings. The largest is a handsome edifice, I should say about 100 feet in length, with verandahs running completely round it.

Besides this building, which was evidently intended to accommodate a military force, there are other storehouses and buildings of considerable dimensions.

Within the enclosure too, temporary houses could easily be put up.

At Fort Garry, the area enclosed within the walls is not so large as at the Stone Fort, but the number of buildings is greater and some of them are large. Apart from the other buildings there is in this Fort a barrack, which, to the best of my recollection, should accommodate from 150 to 200 men.

The town of Winnipeg, close adjoining Fort Garry, contains a population of about 1,500, and in it are many large stores and houses which could be converted into barracks.

Besides, just opposite Fort Garry, on the east bank of the Red River, are extensive buildings belonging to the diocese of St. Boniface, at present used as nunneries, schools, colleges, &c. Doubtless some of these could be obtained, if necessary, for the accommodation of the troops.

Upon the whole, I think there can be no difficulty in housing 1,000 men in the Red River Settlement, either within or in close proximity to the forts.

The Hudsons Bay Company, I have no doubt, would readily vacate the Stone Fort, and accommodate their people in adjoining buildings, and I believe they would be the best agents to employ in providing accommodation for the troops.

2nd.—In regard to Section 12, the suggestion as to providing additional boats has already been acted on by the Government.

The total number being built, most of which are now in readiness to be sent to Thunder Bay, is 135, besides which two first-class "North Canoes" have been ordered at Fort William for the special use of the Officer Commanding the Force.

The annexed Statement shows the number and capacity of the boats.

3rd. In respect to Section 13, as wagons are being arranged for, I confine myself to the concluding paragraph, which is as follows:—

"It is also desirable that a few huts should be erected at Fort William and Shebandowan Lake, for the purpose of sheltering the stores."

In order that these may be provided with the least possible delay, I would suggest that 40,000 feet (B.M.) of sawn lumber of suitable dimensions, should be sent to Fort William on the opening of the navigation. This would provide for the buildings at Thunder Bay. Those at Shebandowan Lake should be of logs covered with scoops.

These buildings can best be put up in connection with the works now in progress.

I may remark that temporary stables will be required at Thunder Bay, and at various points on the Thunder Bay Road.

S. J. DAWSON,

Engineer, Red River Roads.

MEMORANDUM, showing dimensions and carrying capacity of boats for Red River Route.

Places where Built and Names of Builders.	Number.	Dimensions.			Capacity when moderately loaded.
		Length.	Beam.	Depth.	
		Feet.	Feet.	Inches.	
<i>Toronto—</i>					
Samuel Leves	3	30	6	33	2½ tons, 12 men, and outfit.
" "	12	30	6½	32	" " "
John Clendenning ..	4	30	6	33	" " "
<i>Barrie—</i>					
John Charles	5	30	6½	32	" " "
<i>Collingwood—</i>					
William Watt	9	30	6½	32	" " "
R. Benoit	6	30	6½	32	" " "
<i>Hamilton—</i>					
Martin Stetts	3	30	6½	32	" " "
" "	1	33	7½	35	4 tons, 15 men, and outfit.
<i>St. Catherine's—</i>					
Louis Shikluna	6	30	6½	32	3 tons, 12 men, and outfit.
<i>Port Dalhousie—</i>					
Alexander Abbis	4	30	6½	32	" " "
William Wakerly	1	33	7	35	4 tons, 15 men, and outfit.
" "	1	30	6½	31	2½ tons, 12 men, and outfit.
McPhee	1	30	6½	31	" " "
<i>Welland—</i>					
George Ault	5	33	7	34	4 tons, 15 men, and outfit.
" "	5	30	6½	32	2½ tons, 12 men, and outfit.
<i>Owen's Sound—</i>					
M. March	5	30	6½	31	" " "
<i>Kingston—</i>					
M O'Gorman	2	30	7	35	3½ tons, 12 men, and outfit.
"	1	30	6·10	35	" " "
"	1	25	6·8	33	2½ tons, 12 men, and outfit.
"	1	25	7	33	" " "
A. McCorkill	1	30	6·10	33	3 tons, 12 men, and outfit.
"	1	30	6¾	33	" " "
"	1	30	6½	33	" " "
"	1	30	7	35	" " "
"	1	30	6¾	35	" " "
"	1	30	6¾	33	" " "
"	1	30	7	35	" " "
W. C. Knapp	1	28	7½	35	" " "
W. Power & Co.	2	25	7	35	" " "
<i>Quebec—</i>					
At Island of Orleans by different parties	} 16	25	6·2	30	2½ tons, 12 men, and outfit.
In all	102				

In addition to the above, 33 boats have been ordered to be in readiness by 10th May. They will be of the following dimensions : 25 feet keel, 6 feet 2 inches to 6 feet 6 inches beam, 30 inches depth, and capable of carrying 2½ tons each besides men and outfit.

There will then be in all 135 boats.

The actual tonnage of the 30-feet keel boats by ship-builder's measurement, would be about 5 tons; that of the 25-feet keel boats, about 4¼ tons.

The 33-feet keel boats would carry 6½ tons *en route*, however, the boats should be loaded only as above set down.

S. J. DAWSON.

REPORT of Lieutenant-Colonel Wiley.

*Department of Militia and Defence,**Store Branch, Ottawa, 12th April, 1870.*

Sir,

IN accordance with instructions received from the Honourable the Minister of Militia and Defence in relation to the supplies named in the margin, I have now the honour to report that, acting on the Minister's instructions as conveyed in his letter bearing date 21st March last, at once proceeded to Toronto and made the following arrangements respecting them, viz. :—

With Mr. Robert Spratt, of Toronto, for flour, hay, and oats (see letters numbered 1, 2, and 3 respectively).

One thousand half barrels of flour have been purchased and will be ready for delivery at Collingwood by the time specified. The purchase of the other thousand half barrels will be completed in a few days. The flour is to be inspected as extra superfine, and is to be made of the best white fall wheat. The hay is bought, and will be pressed and ready for delivery at Collingwood at the date required. Five thousand of the six thousand bushels of oats required were secured, and are now stored at Owen Sound, ready for shipment on the opening of the navigation.

Messrs. W. Ramsay and Co. have engaged to supply the pork required (see Agreement numbered 4).

One thousand five hundred barrels have been received and are now in process of daily delivery as it is being inspected and repacked; 1,000 barrels will be stored at Toronto, the balance of it is to go to Collingwood, where it will be ready for shipment on the opening of the navigation, as much of the pork as it has been possible to obtain half barrels for, will be re-packed in such packages.

Messrs. Rice, Lewis, and Son, of Toronto, have contracted to deliver 1st May next, the wagons, carts, and harness needed (see letters numbered from 5 to 8 respectively).

The contractors write me to-day that they cannot find, either here or in the United States, the seasoned timber required for the manufacture of the broad-tyred wheels contracted for. On consultation with Mr. Dawson, he has decided that the common-tyred wheel will do, and I have forwarded the contractors instructions accordingly. Broad-tyred wheels not being in use in this country, those ordered being a speciality, no previous provision is made for their manufacture, as is the case with the ordinary wagons.

Two of the wagons have been ordered to be built with springs for conveyance of passengers provided with seats for the accommodation of from 6 to 8 each. Five other wagons are to be adapted for oxen.

Mr. Bond, of Toronto, has undertaken to procure the 70 horses (see letters numbered 7 and 10).

Mr. Winters, of Collingwood, will provide the oxen (see letters numbered 11 and 12).

The animals are all to be concentrated at Collingwood by the 1st May next, provided with the necessary teamsters. All required accommodation for them can be had at the last-named place.

I have, &c.

THOS. WILEY, *Lieutenant-Colonel.*

*Lieutenant-General the Hon. James Lindsay, &c., &c.,
Commanding H.M. Troops, Montreal.*

2,000 barrels flour.
1,700 barrels pork.
30 wagons.
30 sets of harness.
10 carts.
10 sets of harness
70 horses.
24 oxen.
120 tons hay.
6,000 bushels oats.

Inclosure 3 in No. 8.

Lieutenant-General the Honourable James Lindsay to His Excellency the Governor-General.

Sir,

Ottawa, 23rd April, 1870.

I HAVE the honour to acknowledge the receipt of your Military Secretary's communication of the 20th April, forwarding to me replies from the Minister of Militia and Defence to the various points in my Memorandum of the 11th of April.

While the replies are generally satisfactory, and are calculated to assist the conduct of the arrangements for the organization of the Expedition to the North-West Territory, there is one point which I think it my duty to submit for your Excellency's consideration, and at the same time take the opportunity of explaining my views for carrying out the service to be performed in the most efficient manner.

I extremely regret the decision at which the Dominion Government has arrived in declining the services of a portion of the Royal Canadian Rifles, who might be inclined to settle in the territory.

This Expedition is one of considerable difficulty and magnitude, owing to the number of men composing the Regular Force, to the character of the country through which the Force will have to pass, and to the time occupied by the constant changes caused by the alternate navigation of lakes and rivers with numerous portages and dangerous rapids, and above all to the distance of Fort Garry from the base of operations. Such an expedition requires of both officers and men engaged in it habits of order and military training necessary if the country can be peaceably occupied, and still more so in the event of there being any opposition.

I am certainly of opinion that if the Militia Force proposed for the expedition was under arms for a considerable period previous to taking the field, military training, added to the natural capacity of the men, well chosen for their backwood habits, for a rough life, they would form a very valuable and capable force.

I must, however, call your Excellency's attention to the state of affairs as they actually exist.

This Expedition has been in the contemplation of the Dominion Government for several

months, yet it was only upon the 15th of April, and after the receipt of my Memorandum of the 10th April, which was sent in within a few days of my arrival in this command, that the Adjutant-General of Militia submitted a plan for raising two regiments of Militia for service in the North-West.

The companies composing these two Corps will be formed by men volunteering from the different regiments in each of the seven Militia Districts, and the officers appointed to each company will be selected from officers of the Districts. Companies will, therefore, be organized, in which neither officers nor men know any thing of each other, and will not, until they have been for some time together, have any military cohesion, nor have that knowledge and confidence in each other so necessary in the conduct of a military operation. These regiments can hardly commence any military training before the end of the first week in May, and only a short time before they should proceed to Fort William, *en route* to the Red River. The consequence is that a force must either be started inadequate to the service to be performed, or else delay must take place in the advance of the force while the two regiments are undergoing the necessary military training; for the few days during which the Militia Force assemble for annual training every year cannot be considered sufficient for a service of this description, the men composing it being brought together as above described.

With respect to the number of Militiamen it is proposed to send, viz., 700 rank and file, they are, as I am advised at present, and in the event of there being no opposition, amply sufficient. But I have to observe that no margin is left for casualties previous to the Expedition starting, and I think that not less than 800 rank and file should be assembled, though not more than 700 rank and file need be sent to the North-West. But at all events, in consequence of the distance from the base of operations, and the necessity of having reserves of men and stores, it will be necessary to garrison Fort Francis and Fort William, as a measure of security. In this case I shall require an additional 140 men, to be found by the Dominion Government. The total Militia Force, therefore, required to proceed with the Expedition will be 840 men exclusive of officers and non-commissioned officers, and 100 men as a margin from which casualties may be replaced before the Expedition starts.

But it is essential, as far as the information as to the state of affairs in the Red River Settlement can guide the arrangements, that the possibility of opposition should be considered, and although I do not anticipate, for many reasons, that much extraneous aid could be rendered to the insurgents, yet the probability of their receiving assistance from the roving and lawless societies which are to be found in the United States, cannot be ignored.

When Colonel Wolseley arrives at Fort Francis, which he will do in advance of the main body of the Expeditionary Force, he will, it is hoped, by previous concerted arrangements obtain intelligence of the state of affairs in the settlement, and at once report to me thereon. But I think it necessary that arrangements should at once be made for a reserve of a Militia Battalion which shall, if necessary, be ready to assemble at a moment's notice. I do not propose to call this battalion out until it becomes necessary to send it to Fort William, and that would depend upon information received from Colonel Wolseley. The most effective way to organise such a reserve would be to name some battalion in Ontario, whose numbers should be made up to 400 men by volunteers from other regiments of Militia in the same district.

Reviewing, therefore, the whole circumstances as above pointed out, I cannot say that I feel satisfied with the arrangements as they at present exist with respect to the efficiency of the force to be employed, and considering the moral effect of a body of trained soldiers, and their efficiency in the event of opposition, I trust your Excellency will agree with me in thinking that as a portion of Her Majesty's troops are to be employed, it would be desirable to obtain the sanction of the Imperial Government to increase the number of the 1st Battalion 60th Rifles to be employed from 200 to 400 rank and file. This measure would augment the confidence of the loyal settlers, decrease that of the insurgents, and give greater security for success.

In the event of this being acceded to, I should not require the additional 140 men from the Militia to which I have above adverted.

I understand that the Imperial Government are prepared to bear the expense attending the employment of 250 regular soldiers on this expedition; any expense, therefore, consequent upon an increase of the regular force would fall upon the Dominion Government. But the employment of the extra number of regulars would in fact be cheaper than the additional number of Militiamen above required (viz., 140), inasmuch as the Government would not have to pay the men, but they will have to give 200 men free rations instead of 140 men. There will be the personal equipment of the men in respect of mocassins, shirts, water-bottles, field allowance for officers, &c., which must fall upon the Dominion Government according to the present arrangement under which the expense is to be apportioned. Other stores, such as blankets, waterproof sheets, &c., for the additional force, I am prepared to serve out from the Imperial stores.

The force to be employed upon the expedition would therefore stand thus:—

1st Battalion 60th Rifles	400
Artillery and Engineers	40
Militia (all ranks)	780
	<hr/>
	1,220
	<hr/>

I request that your Excellency will favour me with the decision of the Dominion Government upon this proposal with as little delay as possible, as it will be necessary to communicate by telegraph to the Imperial Government for authority.

I am glad to observe that the Dominion Government do not propose that the police force, which is to be placed under Captain Cameron, should form part of or accompany the Expedition until the force is established in Fort Garry and the Red River Territory.

I have, &c.

JAS. LINDSAY, *Lieutenant-General.*

Inclosure 4 in No. 8.

The Deputy Minister of Militia to Lieutenant-Colonel McNeill, V.C.

*Department of Militia and Defence,
Ottawa, 26th April, 1870.*

Sir, REFERRING to the letter of the Lieutenant-General Commanding of the 23rd instant, referred by your letter of yesterday's date, I am directed to state that the question of the reserve battalion therein mentioned will be duly considered by the Honourable the Minister of Militia and Defence, who fully concurs in the suggestion made by the Lieutenant-General Commanding that 140 additional regulars would be employed, and who desires me to convey to you his assurance that all the additional expense to be incurred by the employment of that extra number will be borne by the Dominion Government.

I have, &c.

GEO. FUTVOYE,
Deputy Minister of Militia.

Inclosure 5 in No. 8.

Lieutenant-General the Honourable James Lindsay to his Excellency the Governor-General.

Sir, *Ottawa, 27th April, 1870.*

I HAVE the honour to represent that it is desirable that I should be officially informed by your Excellency if regular troops are to form part of the contemplated Expedition to Red River.

If so, I have to request the favour of being called upon in writing to provide the quota at present authorized for this service by the Imperial Government, and of being informed as to the terms agreed upon between the two Governments on this subject.

Until I receive this information, I cannot issue the necessary order to Her Majesty's troops.

I have, &c.

JAMES LINDSAY,
Lieutenant-General Commanding.

Inclosure 6 in No. 8.

His Excellency the Governor-General to Lieutenant-General the Honourable James Lindsay.

Sir, *Government House, Ottawa, 2nd May, 1870.*

IN reply to your letter of the 27th instant, I have the honour to inform you that the Canadian Government are of opinion that Regular Troops should form part of the contemplated Expedition to Red River, and that they are prepared to adhere to the terms already agreed upon in the premises as between the Imperial and the Canadian Government.

I have, &c.

JOHN YOUNG.

Inclosure 7 in No. 8.

His Excellency the Governor-General to Lieutenant-General the Honourable James Lindsay.

*Governor-General's Office,
Ottawa, May 7th, 1870.*

IN my letter to you of the 2nd instant, I conveyed to you the formal authority of the Government of the Dominion for the expedition to the North-West.

2. Yesterday I received the following telegram from Lord Granville, conveying the sanction of Her Majesty's Government for the use of the Queen's troops :—
"The troops may proceed."

3. Now, therefore, it only remains for me formally to request you to organize and start the expedition in accordance with the agreements and arrangements which have been made on the subject, and with which you are acquainted.

I have, &c.
JOHN YOUNG.

Inclosure 8 in No. 8.

GENERAL ORDERS.

Montreal, 10th May, 1870.

1. IT has been decided that a Force of Regulars and Volunteers shall be sent to the Red River Settlement.

2. Colonel G. J. Wolseley, Deputy Quartermaster-General, has been appointed, with the approval of His Excellency the Governor-General, to command the Expedition.

3. The following Staff Officers to the Force have been appointed :—

- Brevet Lieut.-Col. Bolton, R.A., Deputy-Assistant Adjutant-General.
- Major McLeod (Active Militia), Assistant to Dep.-Assist. Adjt.-Gen.
- Captain Huyshe, R.B.
- Lieutenant F. C. Denison (Active Militia) } Orderly Officers.

His Excellency the Governor-General having placed his Military Secretary, Lieutenant-Colonel McNeill, at the disposal of the Lieutenant-General, he will be attached to the Staff of the Expedition.

4. The following Control Officers to the Force have been appointed :—

- 1. Assistant-Controller M. B. Irving (in charge between Fort William and Fort Garry).
- 2. Purveyor Mellish.
- 3. Deputy-Assistant Commissary-General Meyer.
- 4. Deputy-Assistant Commissary-General Beamish.
- 5. Deputy-Assistant Superintendent of Stores Jolly.
- Captain Money, R. C. Rifles, Acting Deputy Commissary.
- Captain Peebles (Active Militia), Acting Deputy Commissary.
- Lieutenant C. C. Smyth, R. C. Rifles, Acting Assistant Commissary.

5. The following Medical Officers to the Force have been appointed :—

- Surgeon-Major Young, M.D., 1st Batt. 60th Rifles, Principal Medical Officer.
- Assistant Surgeon Olliver, M.D., 1st Battalion 60th Rifles.
- " " Shaw, M.D.
- " " Robertson, M.D.
- " " Chatterton, M.D.

6. The force will consist of—

- A Detachment Royal Artillery, under Lieutenant Alleyne.
- A Detachment Royal Engineers under Lieutenant Heneage.
- 7 Companies of the 1st Battalion 60th Rifles under Colonel Fielden.
- A Detachment Army Hospital Corps and Army Service Corps under Assistant Controller Irving.
- A Battalion of Militia under Lieutenant-Colonel Jarvis, D.A.G. Militia, 3rd District.
- A Battalion of Militia under Lieutenant-Colonel Casault, D.A.G. Militia, 7th District.

7. The whole of the troops will be held in readiness to move at short notice to Toronto, where the Force will be organized.

8. The Inspector-General of Hospitals will arrange for a careful medical inspection of all men selected for the Expedition.

9. The following daily ration is granted from the date of the Force leaving Toronto, and will be issued free of charge to non-commissioned officers and men.

No working pay will be issued, except to men employed by the Public Works Department.

Daily Ration.

- | | |
|---|---|
| 1 lb. Biscuit, or 1½ lb. of Soft Bread. | ½ oz. Salt (when fresh meat is issued). |
| 1 lb. Salt Pork, or 1½ lb. of Fresh Meat. | ⅓ pint of Beans, or ¼ lb. Preserved Potatoes. |
| 2 oz. Sugar. | |
| 1 oz. Tea. | ⅓ oz. Pepper. |

Tobacco and soap will be provided by the Control Department for purchase by the Troops.

10. The Secretary of State for War, in consideration of the special nature of the service, has sanctioned the issue of the following necessaries, free of cost, to all non-commissioned officers and privates of the Regular Force. A similar arrangement will be made by the Dominion Government for the Militia :—

1 Serge Frock.
1 Pair Serge Trousers.
1 Pair Ox Hide Boots.
2 Pairs Worsted Socks.
2 Flannel Shirts.
1 Housewife.

1 Woollen Night Cap.
1 Cap Cover with peak.
1 Piece Musquito Netting.
1 Clasp Knife.
1 Tin Cup.
1 Tin Plate.

11. Extraordinary field allowance for six months will be issued to all officers herein appointed to take the field.

12. Officers will not be allowed under any circumstances to take civil servants with them.

13. Officers may take a limited amount of mess stores and cooking utensils as far as Fort William. Beyond that place each officer will be allowed 90 lb. weight only, which will include bedding, and cooking and mess utensils.

Owing to the peculiar nature of the service upon which this force will be employed, the Lieutenant-General desires that all company officers may be armed with rifles; they will carry 60 rounds of ammunition like the men.

14. Officers of both regulars and militia will be allowed to buy from the military stores any article of equipment they may require. Lists will be sent in by Commanding Officers to the Senior Control Officer on the spot.

15. The Control arrangement in connection with the Expedition will be made by Lieutenant-Colonel Martindale, Deputy Controller.

The sub-charge of Assistant Controller Irving will commence at Thunder Bay.

16. With the exceptions of communications on routine business and matters of accounts, the Official Correspondence connected with the force, after its arrival in Thunder Bay, will pass directly between the Commander of the Expedition, or the Senior Officer Commanding on the spot and the Lieutenant-General.

17. Colonel Wolseley will look to the Lieutenant-General only, for orders and instructions, which he will receive through the Staff or Control.

18. With reference to the General Order No. 5, of the 9th instant, the following officers will also proceed to Toronto:—

Deputy-Assistant Commissary-General Beamish, from Ottawa.

Deputy-Assistant Commissary-General Meyer, from Kingston.

By Order,

J. E. THACKWELL,

Deputy Adjutant-General.

No. 9.

Lieutenant-General the Honourable James Lindsay to War Office.

Sir,

Head-Quarters, Montreal, 27th May, 1870.

I HAVE the honour to enclose you a copy of my instructions to Colonel Wolseley. Before issuing them I submitted to the Governor-General the paragraphs referring to the withdrawal of the troops, and the relations with the Lieutenant-Governor of Manitobah. His Excellency saw no objection to them.

These instructions, read in connection with Colonel Wolseley's orders to the force, which I also enclose, will explain the nature of the operations in hand.

I also enclose you a copy of a report I addressed to the Governor-General on the 23rd May, to be laid before his Ministers, which shows how far these operations are already in progress.

I have nothing to add to it. I expect to hear shortly from Colonel Wolseley at Fort William, and shall keep you constantly informed of what is going on. But as Colonel Wolseley proposes to push through himself to Fort Francis at once, organizing the boat service and passage of supplies and troops as he goes along, I shall not get any further reports from him for some time.

I have, &c.

JAS. LINDSAY, *Lieut.-General,*

Commanding Ontario and Quebec

Inclosure 1 in No. 9.

EXPEDITIONARY FORCE TO RED RIVER.

INSTRUCTIONS for the guidance of Colonel Wolseley.

THE Governor-General having called upon me to furnish a detachment from Her Majesty's Army in Canada, for the purpose of forming, in conjunction with the Dominion Militia, an Expeditionary Force to the North West Territory, now called Manitobah, I have appointed you to the command.

1. The object of the expedition is explained in the following Extract of the Governor General's Speech, in which he closed the Session of the Parliament at Ottawa, on the 12th May last.

"The Military Expedition which it is necessary to send, will gratify and give confidence to all loyal and well-disposed persons."

"Her Majesty's Troops go forth on an errand of peace, and will serve as an assurance to the inhabitants of the Red River Settlement and the numerous Indian tribes that occupy the North-West, that they have a place in the regard and the counsels of England, and may rely upon the Imperial protection of the British Sceptre."

2. The Force will consist of about 1,140 men, and will be composed of detachments of the Royal Artillery, and Royal Engineers, Army Service Corps, and Army Hospital Corps, 7 companies of the 1st battalion 60th Rifles, and two regiments of Canadian Militia, of 350 rank and file each.

The Force will embark at Collingwood, on Lake Huron, as soon as the Dominion Government have made the necessary arrangements with respect to transport.

3. It will be necessary to disembark armed men and munitions of war at Sault St. Marie, and to re-embark them on Lake Superior, as the American Government will not permit them to pass through the canal, which is in the United States Territory.

As there is always a probability of an incursion of Fenians when so near the American Territory, it will be necessary that you should have a strong force of militia at this point, for the security of your stores, and to remain there until they are all gone forward. The armed steamer "Rescue" has been placed under your orders with this object.

4. The officer in command, and other officers, should cultivate cordial relations with the officers of the United States Army stationed at the Sault.

5. At Thunder Bay you will have for some time a large dépôt of stores, and an hospital, and it is also your base of operations.

It will be necessary to secure your position against the possibility of a raid either from the Lake or the land side. You should prepare temporary defences. A strong company should, when the main body of the Force has moved forward, remain at this post, the Commander of which should be carefully selected for his discretion.

6. At Fort Francis you should collect stores for three months' consumption, which should be there before the Force again moves forward, so as that one month's consumption should be taken in the boats from that place, with a reserve of two months left in store.

An hospital should be established here, and good diet obtained if possible. A strong garrison, under a Commander of discretion, should be left here until the approach of winter.

7. The detail of the arrangements for an advance of the Force, and transport of stores from Thunder Bay, are left to your discretion. But care must be taken not to encamp on American ground, which is, during a portion of the route, on the opposite banks of the rivers and lakes.

8. In the event of your being able to go over the route to Fort Francis previous to the advance of the troops, it would be desirable that the Hudson's Bay agent should send a messenger to Fort Alexander, and the Red River extremity of Winnipeg Lake, to obtain information as to the state of affairs in the settlement, and as to the probability of obtaining supplies of fresh meat on arrival at Fort Garry.

9. Fort Francis being close to the American frontier, and within reach of the mines at Vermillion Lake, which are probably worked by Irishmen, precaution should be taken against predatory attack, and also against desertion.

10. Strict instructions should be given to officers and non-commissioned officers in charge of boats, to control the men in order to prevent accidents, and they should not interfere with the voyageurs, who should receive respectful treatment. It will be better to lose some time than to risk life unnecessarily.

11. In your progress you should leave the means of keeping up the communication with the rear by distributing a certain number of boats on the lakes, by which means you will be enabled to transmit messages to me, and send for any further supplies you may require.

12. Before you arrive at Fort Garry, it would be desirable that some of the workmen of the civil engineers should have gone forward to make a road through the swamps, from the north-west angle of the Lake of the Woods; and after your arrival it would be desirable to employ some of the men of your Force in completing this line of communication, so that it may be used by the Regular Force on its return.

13. After you are established in Fort Garry, a portion of the boats should be employed in bringing up supplies from Fort Francis, so that you may have a month's

upply in Fort Garry, in addition to supplies of fresh meat and vegetables which you may get in the settlement, while there should be sufficient left in Fort Francis for the return journey of the Regular Force in September, and for the company remaining there.

14. You will make all necessary arrangements for housing the Militia Force during the winter, the expense of which will be borne by the Dominion Government. You will also take into consideration the possible contingency of a portion of the Regular Force remaining there.

15. It is the present intention of the Governor-General to visit the settlement in August, in which case I hope to accompany him.

In the event of my not being able to do so, you will order the Regular Force to commence its homeward march on or about the 20th August, and no order, except one received from me, in concurrence with the Governor-General, is to prevent you from carrying this into effect.

15A. During your advance from Toronto you will take no orders from any one except me, and I shall not interfere with your arrangements, relying on, and having the greatest confidence in your discretion.

16. The Lieutenant-Governor will probably arrive at Fort Garry soon after you are established there. He will be in the same relative position with respect to the Officer Commanding Her Majesty's troops and who is placed in command of the Dominion Force, as the Lieutenant-Governor of the Provinces of Ontario and Quebec are as regards myself, and will have no control over you, which can only be exercised by the Governor-General through the Lieutenant-General Commanding.

17. As, however, the territory of Manitobah is cut off by distance from immediate communication with the Governor-General, should the Lieutenant-Governor require exceptional military duties of you he must furnish you with a requisition in writing, detailing the object, and you will use your own discretion as to the course you may think it necessary to pursue.

18. Should any difference of opinion arise between the Lieutenant-Governor and yourself you must act upon your own discretion, and record it officially.

19. After your first arrival it is very desirable that the force should be encamped and kept together, and that you should keep a certain force under arms daily on duty, and at a later period recommend the distribution of the force for the winter in the manner you think best in a military point of view.

20. It will be part of your duty to take care that the Militia Staff Officers, and those officers attached to the force, are instructed in their duties by the Imperial Staff and Control Officers, so that they may undertake the duties efficiently on the removal of the Regular portion of the Force.

21. On the Regular Troops finally quitting the Settlement you will direct the Assistant Controller to take stock of all supplies and Imperial stores that remain, and deliver them over to the Militia Storekeeper, as well as all articles not required by the troops on their return; thus finally closing the account between the Imperial and Canadian Governments as regards supplies at Fort Garry. If not required, you have authority to dispose of them to the best advantage.

22. As regards supplies of fresh meat on your arrival at Fort Garry, I shall be guided to some extent by information which I have already asked for, and shall do all that I can to obtain an immediate supply, but this should not induce you to relax your own efforts in that direction. The Controller will alone be responsible for feeding the force until the 30th September. I have suggested that the Dominion Government should assume the responsibility after that date.

23. In conclusion, it will doubtless occur to you that owing to the mixed character of the Force, and its inexperience in the nature of the service, the proximity of the United States frontier, the peculiar character of Indians and voyageurs, great care will be required in enforcing strict attention to orders. Indians should be ceremoniously treated.

24. The Imperial character of the force, with entire freedom from all sectional feelings, should be maintained.

25. The possibility of opposition should be provided for, whatever news you may receive.

26. It is most important that none of the persons who had during the last winter taken part in the troubles at Red River should accompany the Expedition, and you will do all that lays in your power to prevent them doing so. I have to recall to your memory that both in public and in private certain of those gentlemen have expressed themselves anxious to take the opportunity of the advance of the Expedition to pay off their scores. You will therefore discountenance them in a public manner should they attempt so to fasten themselves upon you.

The Dominion Government has appointed Captain Cameron to take up a body of men to act as mounted police, but you will not permit him to precede or accompany your force.

JAS. LINDSAY,

Lieutenant-General Commanding.

Inclosure 2 in No. 9.

STANDING ORDERS for the Red River Expeditionary Force.

Toronto, 14th May, 1870.

1. THE Expeditionary Force will proceed from the end of the Thunder Bay Road to the Lake of the Woods in boats. It will move by detachments, consisting of one or more companies. To each company a brigade of 5 boats will be attached.

2. The boats will be numbered, 1, 2, 3, &c., &c., and the brigade will be distinguished by letters beginning at A.

3. In each boat there will be the following tools and equipment:—2 felling axes, 1 pick axe, 1 spade, 1 shovel, 2 hand axes, 2 flanders kettles, 2 frying pans, 2 sails, 2 boat-hooks, 2 spare oars, "making eight in all," 4 rowlocks, 1 set of blocks (single and double), 1 boat lamp, 6 thimbles for setting poles, 1 dipper, 1 rubber bucket, 1 boat-sponge, 2 cans paint (black and white), 5 lb. assorted boat-nails, 1 double tin oil can, 1 tin, with pitch, 1 tarpaulin, fenders, 60 fathoms tow line, 1 can mosquito oil, &c., &c.; spare plank and tools necessary for repairs. There will also be the cooking utensils, &c., of the boatmen, for which the coxswain of each boat will be responsible. In every boat there will be 30 days' rations for the soldiers and boatmen, besides, also, about 1 ton of surplus stores.

4. With each brigade of boats there will be a carpenter's chest of tools, and a fishing net.

5. The scale of rations for every one will be as follows:—1 lb. of biscuit, or $1\frac{1}{2}$ lb. of soft bread, 1 lb. of salt pork, or $1\frac{1}{2}$ lb. of fresh meat, 2 oz. of sugar, 1 oz. of tea, $\frac{1}{2}$ oz. of salt when fresh meat is issued, $\frac{1}{3}$ pint of beans, or $\frac{1}{4}$ lb. preserved potatoes, $\frac{1}{8}$ oz. pepper; the ration of flour, when issued, to be $1\frac{1}{2}$ lb.

6. In each boat there will be three voyageurs, one of whom will be the coxswain, and have entire charge of managing the boat.

7. The officer or non-commissioned officer in command of the men in each boat will render him every assistance in doing so, and any one going counter to his advice must understand that he is taking upon himself a grave responsibility which may possibly affect the safety of the whole party.

8. No one, under any pretence, will be allowed to sit on the gunwale of the boats, and all must learn to sit steadily, moving as little as possible when the boat is under weigh, particularly in rapid water. When under sail the sheets must never be made fast, they must invariably be held by the hand.

9. To prevent supplies being sent to wrong places, it must be remembered that all stores belonging to the Expedition have been divided into three classes, X., Y., Z., and marked accordingly; those marked Z. are to be taken with the force when it finally starts from Fort Francis; those marked Y. are to be left at Fort Francis, and those marked X. at Fort William.

10. Officers commanding companies will not allow, under any pretence whatever, any person not belonging to the force to be carried in the boats, unless he has a written permission, signed by the officer commanding the force or by Lieutenant-Colonel Bolton.

11. The officer in immediate command at the Shebandowan end of the road will be held strictly responsible that no unauthorized person embarks. He will attend at the departure of each brigade of boats to see this order rigidly carried out.

12. Detachments will be posted temporarily at various portages along the route for the purpose of facilitating the transport of supplies to Fort Francis.

13. They will carry out this duty as follows: They will daily send back to the nearest portage in rear a sufficient number of boats to carry 15 tons of stores; all the boatmen to be employed on this service, supplemented by as many soldiers as the Officer Commanding on the spot may consider necessary; all soldiers to take their arms and accoutrements with them.

14. One officer will invariably accompany the boats upon this duty, and will take with him at each trip supplies sufficient for the crews for three days, together with a portion of tools, &c. The remainder of the detachment to be employed daily in carrying over the portage at their post the 15 tons of stores brought up by the boats on the previous day, and leading them in the boats sent back to receive them by the detachment in front.

15. The day after each detachment has reached its position it will commence operations by sending back for the surplus stores of the detachment in rear. This will be continued daily until all the reserve supplies for Fort Francis have been sent forward.

16. The greatest possible care will be necessary in loading and unloading the boats to guard against their being injured. The Indian voyageurs having had great experience in loading canoes, their advice is to be attended to in this matter.

17. Every one concerned must remember that the success of the undertaking depends upon these boats; and if those provided are rendered unserviceable, they cannot be replaced.

The Colonel Commanding will therefore have no alternative but to leave behind the crews of any boats that are rendered unfit for use.

18. Colonel McNeill will be stationed at the Shebandowan end of the road. Special instructions will be issued to him for his guidance.

19. Mr. Meyer will be the Control Officer there, to superintend the shipment of stores.

He will be responsible for the loading of the boats, and will decide also the description and amount of stores to be sent with each, in addition to those laid down as forming the equipment of each boat. He will hand over to the Captain of each company, the evening before he starts, the complete equipment of his brigade of boats, receiving a receipt from him for it. The Officer commanding the company will make an exact copy of the list in his pocket-book, specifying therein how he has distributed the stores, &c., by boats, and the name of the officer or serjeant in charge of each boat.

20. Mr. Meyer will also hand over to every officer commanding a company, rations complete for his men and voyageurs for 30 days, taking a receipt for the same; a list of these provisions to be also entered by the captain in his pocket-book. These provisions must be distributed throughout the boats, so that in each boat there will be 30 days' rations for every one in it.

21. Mr. Meyer will also hand over to every officer commanding a company, as much surplus supplies (about 2,000 lb. weight for each boat) as his boats can conveniently carry—Mr. Meyer to be the judge on this point—giving him an accurate list of the articles, which will be sent on with the stores when they are passed forward beyond the portage where the Company is to be temporarily stationed on the line of route. This list will be signed as correct, or otherwise, by all the officers commanding at the several portages when the stores pass through their posts; any article deficient to be noted on the list.

22. After the last detachment has left, the stores noted in the margin will be shipped with as little delay as possible at the rate of 15 tons a day. One, or, if possible, two days before the last 15 tons are to be despatched from Shebandowan Lake, Colonel McNeill will notify in writing, to all the posts in advance, stating when the last of the reserve stores will be sent through. He will send a written Memorandum with the last 15 tons, saying they are the last.

Upon receipt of this information (which will be signed by the Officer Commanding each Detachment, and forwarded on to the next post) Officers Commanding at all posts on the line between Shebandowan and Fort Francis will proceed without delay to the latter place, taking on with them their boats and all their equipments, and the remains of the thirty days' provisions sent originally with them.

23. Upon reaching Fort Francis, they will complete their boats with 30 days' rations for all persons in them, and will embark such surplus stores as the Control Officer, Mr. Mellish, may indicate.

24. As soon as the detachment left at Bear Portage reaches Fort Francis, the 200 men of the 1st Battalion 60th Rifles, which had been stationed there during this movement, will start for the Rat Portage to work at it.

25. By these arrangements the last detachment (that left at Shebandowan Lake) will reach Fort Francis the day after the last 15 tons of the reserve supplies to be stored there reach that place.

26. The detachments from Fort Francis will severally start from thence as soon as relieved by the detachment coming up in rear.

27. Fresh instructions will be issued at Fort Francis with reference to the forward movement from that place.

28. In case of a man falling seriously ill, or being seriously injured whilst the troops are moving to their several stations, the Medical Officer with the detachment will decide whether the illness or injury is of such a nature as to prevent the man from proceeding further. If he pronounces the man as likely to be unfit for work for some time to come, he is to be left behind at the nearest portage where a detachment is to be stationed, in charge of a non-commissioned officer and one man, who will take their arms, accoutrements, &c., &c., with them. A week's provisions to be left for the three men. All Officers Commanding detachments passing by them to see that they have always that quantity in their possession.

As soon the detachment to be stationed at the portage where the sick man has been left arrives, he will be sent with the returning boats to the rear, to be forwarded on to the hospital at Fort William.

If there is no Medical Officer with the detachment, the sick man will be left behind in a similar manner until the arrival of a detachment having a doctor with it.

In both cases the non-commissioned officer and private left with the man will proceed on to join their company as soon as the man has been sent to the rear.

The Officer Commanding the 12th detachment, whilst *en route* between his post at the Kashaboiwe Portage and Fort Francis, will use his own discretion as to whether he will send serious cases of illness to the hospital at Fort William, or take them on with him to Fort Francis. If he can possibly do so he should send them to the former place.

29. Officers commanding detachments, from the time of their embarking at Shebandowan, will keep a journal of their route, entering the exact hour they start each morning, the hours they halt for meals and start again, the time they reach their halting place for the night, giving the name of the place, the state of the weather, whether they used oars or sails during the day, &c., &c. All irregularities committed by their men to be recorded. They will also state whether they found the fires made by the previous detachment still burning or not.

30. The officers commanding the several detachments posted at the portages will encamp their men in as compact order as possible on the end of the portage nearest to Fort

Barrels of flour.
Barrels of pork.
Bags of biscuits.
Chests of tea.
Barrels of sugar.
Bags of beans.
Tins of pepper.
Bags of salt.
Tins of potatoes.

Francis, except when from the marshiness of the ground, or other peculiar causes, there are good reasons for departing from this order.

They will pile up their provisions close to the landing place, at the Fort Francis side of the portage, covering them over with the boat tarpaulins, and doing everything in their power to protect them from the weather.

The boats will remain on the Shebandowan side of the portage, every precaution being taken to secure them at night by their painters to the shore. When there is a good beach they should be hauled up for the night, being launched every morning.

31. Each detachment will have a guard, consisting of at least three men per company. They will mount with arms and accoutrements. Up to Fort Francis the arms for the other men will remain in their arm chests, unless when for special reasons the officers commanding detachments may consider it necessary for the men to keep their arms in the tents.

The arms, if kept in these arm chests, must be frequently inspected by the Captains of companies, to see that they are free from rust, and in good and serviceable order.

32. The greatest possible precautions to be taken to guard against the woods being set on fire.

The cooking places will be established as near the water as possible, and no other fires are to be allowed in the camp without the express permission of the officer commanding the detachment, who will assure himself, before giving such permission, that there is no danger to be apprehended.

When on the move, officers commanding companies will be held responsible that all fires are extinguished previous to their leaving a camp.

33. As a rule, the reveille will sound at 3 A.M. every morning, and the boats will start as soon after that as possible, the men to have some hot tea before starting. The boats of each brigade must keep as near together as possible, the Captain with his Bugler being in the leading boat; the senior Subaltern and a Serjeant in the rear boat.

A halt of one hour will be made at 8 A.M. for breakfast; another halt of an hour at 1 p.m. for dinner. Officers commanding companies may, of course, depart a little from these hours for meals, but under no circumstances is more than an hour to be allowed for each meal. They will always halt for the night at least one full hour before dark, so that there may be ample time to establish the camp for the night. When on the move it is not advisable to pitch tents except when it rains or threatens to do so—even then the smallest possible number should be pitched.

34. When it is necessary to track the boats, the crew will be divided into two parties, each consisting of four or five soldiers and one voyageur. Serjeants are not to be employed in tracking.

These two parties to relieve one another every two hours. Officers and non-commissioned officers in charge of boats will see that the men returning to the boats after tracking, put on their serge frocks at once, which are not to be removed for at least half an hour afterwards.

35. All officers belonging to this Force will be most careful in impressing upon those under their command the great necessity there is for cultivating the good will of the Indians and others employed as voyageurs.

Colonel Wolseley will punish with the utmost severity any one who ill treats them.

The same rule applies to all Indians who may be met on the line of route.

It must be remembered that the Government has made a treaty with them securing the right of way through their country; all are therefore bound to protect them from injury, and it is of special importance that our intercourse with them should be of the most friendly nature.

No Indians but those actually attached to the Force are to be allowed to pass the night in our camps.

G. J. WOLSELEY, *Colonel,*
Commanding Expeditionary Force.

Inclosure 3 in No. 9.

Lieutenant-General the Honourable James Lindsay to His Excellency the Governor-General.

Sir,

Montreal, 23rd May, 1870.

I HAVE the honour to inform your Excellency that on Saturday, the 21st May, Colonel Wolseley left Collingwood for Thunder Bay with the greater part of the Red River Expeditionary Force, and that the remainder of the Regulars were to follow him to-day, 23rd May.

Eighty-eight horses, 46 teamsters, and 80 voyageurs accompanied this part of the force.

Four Companies of the 1st Battalion Militia had been provisionally sent to the Sault St. Marie under Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General, upon the receipt of the news that the American Government had closed the Canal against Canadian ships for the purpose of forwarding stores across the portage and preserving them from attack.

The three remaining Companies of that Battalion will leave Toronto with 12 teamsters and 24 horses on Friday, the 27th May, or the following day.

The 2nd Battalion Militia will then go on in the regular trips of the "Algoma" and "Chicora," or in the "Prince Alfred" or "Rescue," together with the remainder of the horses and oxen.

It is hoped that the Force, men, stores, &c., will have left Collingwood by the 1st June.

At Thunder Bay a military post with hospital will be established, and a line of communication with Fort Francis will be opened.

The Force will then be passed through to Fort Francis (where another military will be established), beyond which it will not advance until sufficient supplies shall have been collected there to enable it to start with about 30 days' supplies in the boats, leaving a reserve of not less than 60 days at Fort Francis.

The forward movement will then be made to Fort Garry.

I enclose a copy of Colonel Wolseley's orders to his Force, which explains the general nature of the operations.

It is presumed that upon the Force reaching Fort Garry the Lieutenant-Governor will appear upon the scene; Colonel Wolseley will then be ready to give every assistance in his power to the Militia portion of his Force in laying in supplies for the winter, and arranging for housing the Canadian troops as comfortably as possible, &c. He will require authority, however, to incur the necessary expense, as already pointed out in my letters R. R. 30, R. R. 31 of 17th May, 1870

Colonel Wolseley has my imperative orders to arrange for the regular part of the force to leave Fort Garry upon its return to Canada between the 20th August and 1st September. With this view I have desired him to make it a special point to instruct the Militia Staff and Control Officers in their duties.

Colonel Wolseley has also been instructed to take orders on all subjects from me only, but as he will be separated from me, I have, of course, left something to his discretion. On the subject of the return of the troops, however, I have given him no latitude whatever.

I have, &c.

JAMES LINDSAY,

Lieutenant-General Commanding.

No. 10.

The Colonial Office to the War Office.

Sir,

Downing Street, 9th June, 1870.

I AM directed by Earl Granville to transmit to you, for the information of Mr. Secretary Cardwell, extracts of a despatch from the Governor-General of Canada, relating to the Expeditionary Force proceeding to Fort Garry.

I am, &c.

FREDERIC ROGERS.

Inclosure in No. 10.

EXTRACT of a Despatch from Sir J. Young to Earl Granville, dated Ottawa, 19th May, 1870. No. 97.

"4. COLONEL WOLSELEY, who is to command the Expedition, leaves Toronto with Her Majesty's Troops on the 20th instant, and they go on as quickly as possible to Fort William, at the head of Lake Superior.

"I telegraphed to him yesterday to send me, for your Lordship's information, a short statement of his probable movements. He replied as follows:—

"'There are 200 of the 1st Battalion of Volunteers, and the gunboat 'Rescue,' at the 'Sault.

"'All the Regular Troops will be at Fort William on the 26th of May; a post will be formed there, and fortified.

"'It is hoped that all the Volunteers and stores will have reached Fort William by the 10th June.

"'Expect to reach Fort Garry with entire force about 1st August, and to leave with Regulars between 20th and 25th August, so as to reach Toronto by 1st of October.'

"I also send a copy of the orders which he has issued.*

"A temporary difficulty occurred in consequence of the stoppage by the American Authorities of the steamer "Chicora" at the Sault St. Marie Canal, which runs through American territory, connecting Lake Huron with Lake Superior. She had no warlike

* Inclosure 2 in No. 9.

" stores whatever on board, the Canadian Government having from the very first decided
 " not to attempt the sending of any such stores, much less of troops, through this canal.
 " At the request of my Ministers, therefore, I addressed a representation to Her Majesty's
 " Minister at Washington, and I am happy to be able to report that the United States
 " Government has very promptly sent instructions to allow the "Chicora" and vessels of
 " the same class to pass through the canal.

" 5. I have placed the services of Lieutenant-Colonel McNeill, V.C., my Military
 " Secretary, at the disposal of General Lindsay, for the Expedition. He will report fully
 " to me as occasion offers along the route, and I shall forward his reports to your Lord-
 " ship for your information."

No. 11.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir,

11th June, 1870.

I HAVE laid before Mr. Secretary Cardwell your letter of the 27th ultimo enclosing copies of a correspondence which had passed between yourself and the Governor-General of Canada, on the subject of sending a Military Expedition to Red River, and detailing the measures which you had taken for organizing and preparing the Expedition.

Mr. Cardwell observes that you have not had time to make the communication to him as to the probable estimate of the expenditure connected with this Expedition, which, as stated in my letter to you of the 5th ultimo,* he would expect to receive by post.

I am, &c.

EDWARD LUGARD.

No. 12.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir,

22nd June, 1870.

I AM directed by Mr. Secretary Cardwell to state to you that he has received with satisfaction the full and detailed accounts which your despatches by the last mail give of the arrangements made by you, in conjunction with the Government of the Dominion of Canada, for the conduct of the expedition to Fort Garry. These arrangements seem to Mr. Cardwell to be judicious, and well calculated to meet the difficulties which necessarily attend such an expedition.

By a telegraphic message Mr. Cardwell authorized you to retain the Rifle Brigade in Canada until the close of the autumn, in consequence of the increased force which you had thought it expedient to detach for the expedition, and the possibility that the discomfited Fenians might direct some effort against some portion of the expedition, and render it desirable for you to have a larger force of regulars left at your command than would have been the case if the original intention, with respect to that battalion, had been persevered in.

The Secretary of State does not anticipate that any other expense will have been caused by this change than that to which reference was made in my despatch of the 16th instant,† directing you to exercise your discretion in filling up the "Crocodile" as far as possible.

I am, &c.

EDWARD LUGARD.

No. 13.

Lieutenant-General the Honourable James Lindsay to the War Office.

Head-Quarters,

Montreal, 3rd June, 1870.

Sir,

I HAVE the honour to enclose you a copy of a letter that I addressed to His Excellency the Governor-General, on the subject of the division of expenses of the Red River Expedition between the Imperial and Canadian Governments.

* No. 7.

† Not printed.

The first object of this letter is to lay down what expenses should be shared between the two Governments in certain proportions, and the second to get a statement in detail of all such expenses already incurred by Canada.

I have not said anything to the Governor-General as to the charges consequent on the Command and Administration of the force.

The expenses under these heads will be small only, and should, I submit, be borne by the Imperial Government, who have assumed through me the responsibility for the safety of the expedition.

If there is any delay in giving me the statement, I shall send a Control Officer to Ottawa to get it, and go there myself to hasten matters.

On its receipt I shall furnish you with an approximate estimate of the funds required from Parliament.

I understand that it is decided that the Imperial Government will pay one-fourth of the General Expenses.

I infer this not only from the despatches between the Secretary of State for the Colonies and His Excellency the Governor-General, but from the proportion which the Regulars bear to the Militia.

In arriving at this proportion, the 140 additional Regulars must count with the Militia, for the Canadian Government has engaged to pay all their extra expenses.

I have, &c.
JAS. LINDSAY, *Lieutenant-General,*
Commanding Ontario and Quebec

Inclosure 1 in No. 13.

Lieutenant-General the Honourable James Lindsay to His Excellency the Governor-General.

Sir,

Montreal, 21st May, 1870.

I HAVE the honour to draw your attention to the necessity of coming to an early understanding as to the division of the expenses of the Expedition to the Red River Settlement between the Imperial and Canadian Government.

I understand that the Imperial Government has agreed to meet the expense entailed by 250 Regulars joining the Expedition, and the Secretary of State for War has sanctioned the employment of 140 additional Regulars in lieu of an equivalent number of Militia, provided that all extra expenses of more than 250 Regulars shall be borne by Canada.

There is a certain class of expenses which can be kept entirely separate without difficulty, such as pay, personal equipment for men (see inclosure A), and field allowance for Officers.

These expenses would, in the case of Regulars, fall at once on Army funds, those applying to the 250 Regulars remaining chargeable thereto, while any extra expense on this account for the 140 additional Regulars would be recovered from Canada.

In the case of Militia these expenses would fall at once on Canada, and remain chargeable to her.

But the general expenses will have to be brought into one statement, in order that the expenditure may be hereafter adjusted according to the proportion which may be agreed upon between the two Governments.

It is first necessary, however, to decide what expenses should be admitted in this "Red River Expedition General Account," and it is desirable to do so at once, as I see that the funds provided by the Canadian House of Commons "for opening communication with, establishing a Government in, and providing for the settlement of Manitobah," are included with those granted for the Expedition in one sum.

The expenses attending the transportation of the Expedition are therefore necessarily mixed up with those for opening up the new province.

I apprehend that it is perfectly clear that the making, improving, and keeping in order, the roads and portages, under Mr. Dawson, are expenses which are not chargeable to the Military Expedition, but form part of the system of communication which is to connect the provinces, in order that the Dominion may be independent of the route through the United States.

The expenses, however, entailed by providing, placing, and maintaining land and inland water transport for the Expedition on the route, in full working order throughout the summer, or until the Regulars shall have returned to Thunder Bay, appears to me to be in a great measure, but not altogether, chargeable to the Expedition, because the value of this transport at the conclusion of the Expedition will have to be taken into account.

As regards the supplies, stores and "matériel," and "personnel" for transport for the expedition, the arrangement which I understand to be in force is as follows:—

The Dominion Government will in the first instance pay—

1st. For all which has been obtained by their agents, including cost of carriage to Collingwood.

2nd. For the steamers hired by them on Lakes Huron and Superior.

3rd. The pay of voyageurs and teamsters until arrival at Thunder Bay.

The Control Department will in the first instance pay for all supplies, &c., obtained by it, including carriage.

All further supplies, &c., are to be obtained by the Control Department, which also provides all stores and equipments for the expedition, except personal equipment of the Militia.

The further arrangements which I propose are, that—

1st. To avoid a broken period the Control Department will not commence to pay the teamsters and voyageurs until the 1st June next.

2nd. The Control Department will in the first instance pay all claims on account of the expedition, while at the Sault St. Marie, at Thunder Bay, along the route to and at Fort Garry, until the Regular Troops leave Fort Garry—say until the 30th September next.

From this will of course be excepted any money payment to the Militia, and to Mr. Dawson, and the workmen employed under him,

3rd. The Control Department will further make all payments on account of that part of the expedition which does not remain at Fort Garry until the expedition terminates.

4th. The Control Department will make advances from the Treasury chest to the Agents of the Dominion Government at Thunder Bay and Fort Garry, until the Regular Troops leave the last of those places, should you now signify to me that the Dominion Government wish this to be done.

I desire therefore to be made acquainted with the views of the Canadian Government on this subject; and by way of bringing under view the whole of the expenses, which will become the subject of adjustment afterwards, I request to be furnished with a detailed tabular statement as soon as possible up to the 31st May, of the expenditure incurred up to that date by the Dominion Government on account of the expedition.

I will inform you in the same way what expenses have been incurred by the Control Department.

I bring this subject before your Excellency in order that a principle may be arrived at on which a further adjustment may be made, and that I may be able to furnish the Secretary of State for War as soon as possible with an approximate estimate of the charge which will fall upon the Imperial Government.

It is essential that I should do this while the Imperial Parliament is sitting.

I have, &c.

JAMES LINDSAY, *Lieut.-Gen. Commanding.*

Enclosure 2 in No. 13.

A.

EQUIPMENT, RED RIVER.

The following articles will be considered personal equipment:—

Arms and Accoutrements.

One short Snider Enfield rifle with sword bayonet and accoutrements complete, and 60 rounds service ammunition.

Personal Equipment.

1 knapsack.	1 great coat.
1 haversack.	1 forage cap with white covering and peak front and rear.
1 water bottle.	1 pair of ankle boots.
1 tin plate.	1 pair of beef boots.
1 mug.	1 serge blouse.
2 blankets.	1 pair serge trousers.
1 waterproof sheet.	1 musquito net.
1 tunic.	1 clasp knife.
1 pair of trousers.	

Kit.

1 cholera belt.	1 holdall.
1 linen bandage.	1 brush for each man, of different kinds.
2 flannel shirts.	1 comb.
2 pairs of socks.	1 piece of soap.
1 pair of braces.	2 darning needles.
2 linen shirts.	1 hank of thread.
1 knife, fork, and spoon.	2 ordinary needles.

Additional for Winter.

1 tunic and pair of cloth trousers.	2 knitted under shirts.
1 seal-skin cap.	2 pairs knitted drawers.
1 pair mits.	1 muffler.

No. 14.

War Office to the Colonial Office.

Sir,

21st June, 1870.

I AM directed by Mr. Secretary Cardwell to transmit, for the information of Earl Granville, the accompanying copy of a despatch, with its inclosure, which has been addressed to this office by Lieutenant-General the Honourable James Lindsay, on the subject of the division, between the Imperial and Canadian Governments, of expenses of the Red River Expedition.

Mr. Cardwell considers it important that he should be informed, before the Session closes, of the exact state of the expenditure on this account, and that while the detailed particulars will no doubt be transmitted to this office by General Lindsay, he is desirous to know whether he may proceed upon the assumption that the arrangement on which the Expedition has been sanctioned by Earl Granville is, that the expense of 250 regular troops only shall be a charge on the Imperial Exchequer, and that there will be no advance expected from the Military Chest for the expenditure of the Forces of the Dominions.

I am, &c.

EDWARD LUGARD.

No. 15.

The Colonial Office to the War Office.

Sir,

Downing Street, 23rd June, 1870.

I AM directed by Earl Granville to acknowledge your letter of the 21st of June, requesting to be informed whether Mr. Cardwell may proceed on the assumption that the arrangement on which the expedition to the Red River has been sanctioned by Lord Granville is, that the expense of 250 regular troops only is to be a charge on the Imperial Exchequer, and that there will be no advance expected from the Military Chest for the expenditure of the Forces of the Dominion.

I am to state that according to Lord Granville's construction of the correspondence which has passed between the Imperial and Canadian Governments, the Imperial expenditure is to be limited to the cost of 250 British Troops; and that he has never held out to the Canadian Government any expectation of advances from the Military Chest.

As, however, the language of the telegrams leaves an opening for argument, it may be well to explain the state of the correspondence for General Lindsay's information.

The force originally proposed was not more than 1,000 men. A confidential minute of the Canadian Privy Council, which reached the Secretary of State on the 2nd of March, stated that it was believed "that a force of 1,000 men of all arms would be more than sufficient."

On the 11th of April, Sir John Young proposed, by telegraph, that Canada should pay "a reasonable proportion, say three-fourths of the Expedition," of this force (presumably not more than 1,000 men).

On the 20th of April, Lord Granville telegraphed the condition that "Her Majesty's Government should pay only the expense of British Troops not exceeding 250" (i.e. one-fourth of 1,000 men), and Canadian Government the "rest, not sending less than 500 men."

On the 28th of April, Sir J. Young telegraphed that 390 of the Troops should be British Regulars, and that "Canadian Ministry agreed to this, and still engaged to pay three-fourths of Expedition."

And General Lindsay telegraphed at the same time to the War Office that he had "arranged with the Canadian Government that all extra expenses of more than 250 Regulars shall be borne by Canada."

Afterwards the number of the expedition was raised above 1,000, so that three-fourths of it would be more than 250.

Lord Granville considers that Sir John Young's telegram of the 28th of April was intended as a request that the composition of force should be altered, coupled with an engagement that this alteration should not impose on Her Majesty's Government any increase of pecuniary liability beyond the expense accepted by him of 250 men. And it is plain that this was also General Lindsay's understanding. He anticipates that it will be found to be that this is also the view of the Canadian Government, who could not have intended, while appearing to limit the responsibility of the Home Government, to give themselves in effect an indefinite power of increasing it by augmenting their own force.

Lord Granville will send a copy of this correspondence to Sir John Young.

I am, &c.

FREDERIC ROGERS.

No. 16.

The War Office to Lieutenant-General the Honourable James Lindsay.

Sir,

23rd June, 1870.

I AM directed by Mr. Secretary Cardwell to acknowledge the receipt of your letter of the 3rd instant, enclosing the copy of one which you had addressed to the Governor-General, on the subject of the division of expenses of the Red River Expedition between the Imperial and Canadian Governments, and stating that so soon as you received the information therein asked for, you would furnish the Secretary of State with an approximate estimate of the funds required from Parliament. In reply, I am desired by Mr. Cardwell to state that he communicated your letter and its enclosures to the Secretary of State for the Colonies, and has received from him the answer, which I enclose, and from which you will learn the view of Her Majesty's Government as to the agreement between the Imperial Government and the Government of the Dominion, as regards the expenses of the Expedition.

I am desired by Mr. Cardwell to request that, if the estimate to which you refer has not been already dispatched, you will forward it at the earliest possible opportunity.

The form must be that adopted for the annual estimates, under the heads applicable to this service; covering the whole cost of the expedition from its commencement to the period at which the extraordinary charges may be expected to cease. The proper proportion of the expenditure should, as far as may be practicable, be ascertained in Canada in communication with the Colonial authorities, in order that it may be known as accurately as possible what amount will have to be provided from Imperial resources.

You will be so good also as to transmit by the earliest opportunity, if not already transmitted, an abstract of actual expenditure, Colonial and Imperial, to the end of May, and, so long as the joint expedition lasts, you will transmit a similar abstract monthly, by the earliest opportunity after the last day of each succeeding month.

I am to add that it would be desirable that arrangements should be made by which the monthly statements of expenditure should be seen by an Officer on behalf of the Colonial Government, and their accuracy confirmed by him, in order that when the final settlement is made, there may be no questions in dispute on matters of fact.

I am, &c.

EDWARD LUGARD.

No. 17.

Lieutenant-General the Honourable James Lindsay to the War Office.

Sir,

Head-Quarters, Montreal, 10th June, 1870.

REFERRING to my letter, E 2,448, of 27th May, I have the honour to enclose you a copy of a further Report which I have addressed to his

Excellency the Governor-General, respecting the progress of the Red River Expedition.

I have, &c.
JAS. LINDSAY, *Lieutenant-General,*
Commanding Ontario and Quebec.

Inclosure 1 in No. 17.

Lieutenant-General the Honourable James Lindsay to His Excellency the Governor-General.

Sir, *Montreal, 7th June, 1870.*

REFERRING to my Report, R. R. 40, of 23rd May, 1870, I have now the honour to inform your Excellency that Colonel Wolseley arrived at Sault St. Marie on Monday, 23rd May.

He reports that the United States garrison there consists of 250 men, and that our Officers and the United States Army Officers are on the most cordial terms.

The position of our Camp, though low, is otherwise favourable, and very strong.

The impression there is that an attempt will be made by Fenians to destroy some of our vessels on Lake Superior, and as a precautionary measure, a guard is put upon every vessel, and half the men are accoutred at night.

Colonel Wolseley reached Thunder Bay on the 25th May.

He reports the camping ground as limited, but dry. A recent fire had caused very great damage, and as some of the smaller bridges had been burnt, some delay would be occasioned.

The steamers have to anchor 400 yards from the Wharf. A good scow had been built on the spot for landing stores and horses. The weather was fine.

I now inclose a copy of the last Report received from Colonel Wolseley, dated 27th May, at Prince Arthur's Landing, which gives a very complete account of the road to Shebandowan. Also a copy of a telegram received from him this day, and dated Prince Arthur's Landing, 1st June.

From Lieutenant-Colonel Bolton, D. A. A. G., who is at Sault St. Marie, I have several Reports.

It was on the 19th May that the Officer Commanding the United States troops at Fort Brady informed him that the Canal was open to the passage of vessels on certain conditions.

On the 24th May much delay and inconvenience resulted from the proceedings of the Captain of the "Francis Smith," and the correspondence on that subject is enclosed.

This failure of the "Francis Smith" to fulfil her engagement necessitated the despatch of an agent to other points to try and hire a vessel in her place.

On the 28th May the United States Commanding Officer declined to allow the "Prince Alfred" to pass through the Canal, though she had been disarmed.

On the same day Lieutenant-Colonel Bolton reports a case of scarlet fever in camp, but otherwise all well.

Colonel Fielden, 60th Rifles, who is in command at Toronto, completing the arrangements there, reports under date 29th May:—

"The Ontario Battalion has made great progress, and is complete in numbers. Its men have begun to practice with ball.

"The Quebec Battalion does not fill. Four men have volunteered to it from the "Corps at the Sault."

His latest Reports are dated 1st and 5th June. I inclose a copy of them.

From these documents your Excellency will learn that in the course of the present week Colonel Fielden, with the last part of the men, supplies, stores, horses, boats, &c., will leave Collingwood for Prince Arthur's Landing on Thunder Bay.

I beg, however, to draw very particular attention to what Colonel Fielden says respecting the want of voyageurs.

I have, &c.
JAS. LINDSAY,
Lieutenant-General Commanding.

Inclosure 2 in No. 17.

Prince Arthur's Landing, Thunder Bay,
Friday, 27th May, 1870.

YESTERDAY morning I started off on horseback along the road in company with Mr. Russell, the engineer, who has been employed upon it all the spring. The following will describe what I saw:—

One mile from the bay there is a bad sandy hill with steep gradient, and so deep that it is very hard upon horses. It is part of the old road, which was badly laid out as far as I can judge.

A road is now being made round it which will be a great improvement; it is at present the only really bad pitch on the 31 miles that I inspected between the bay and the Kaministiquia River (called 21½ miles, but in my opinion at least 23 miles). The road is very fair as a clay or sand road; there are no bad places wherever it passes through swamps; it has been ditched and fascined. There are four settlers on this section who have begun clearances for farms on ground that has been burnt over many years ago, and over which fire has evidently passed several times since. The fire which raged through these woods for three days last week has done a great deal of harm to the road, it burnt the greater number of the culverts and small bridges. All these have been repaired since so as to be passable for teams, and although as a permanent work they are poor affairs they will answer our purpose very well. The most serious damage done has been where the road has been cut out along the hill sides, where the made portions have fallen in from the crib work being burnt through.

The fire has in many places gone right through the fascines and corduroy work on the raised parts of the road where it runs through low ground; all this damage has now been temporarily repaired in such a manner that wagons have been going over it yesterday and to-day. The bridge over the Kaministiquia River is a very good one about 360 feet long; river unfordable. From thence to the bridge over the Matawin River (about five miles), the road is of a different character, being only made wide enough for one wagon. It is in some places still rough but it is quite practicable for any wagon. Beyond the Matawin, for the five or six miles that I went, the road is in some places very bad, but they are at work upon it, and when the bad places have been corduroyed over (which they will be within three or four days) all wagons can go over it easily. At present ox wagons go over it to within four miles of where the boats are to be launched. A creek of about 70 feet in width has yet to be bridged over there, upon which work will be begun to-morrow or Monday. Altogether the road is better than I expected, although somewhat longer, for instead of being 40 it is certainly 45 or 46 miles long. To-morrow morning I intend starting off two companies of 60th. One to be stationed at the bridge over Kaministiquia River, where I am going to establish a depôt of provisions, moving on all my stuff there, or at least as much of it as I can until all the road is ready for traffic. The other company I intend stationing at a lake 15 miles from here. Both these companies are to work on the road. I am starting off one or two boats to-morrow as an experiment; those I am going to send on to Matawin Bridge, where I shall land them to prevent fire. There is no clearance there, so I dare not make any large collection of stores there. At Kaministiquia Bridge there is a large safe clearance where I can collect any quantity of stores in safety. Fire is a serious element that must come into all our calculations.

All the men are busy from morning until evening at fatigue labour, unloading the boats and stacking away the provisions, &c., so I shall not be able to begin my stockade work at present. I hope the weather which is still lovely may continue so until all the stores are landed, for with a wind blowing on shore the captains of these steamers are afraid of coming in near the shore, and even the tug fellow is in a funk about his "bottom," for a regular sea sets in sometimes which bumps the boats about.

Mr. Simpson, M.P., started to-day for Fort Francis, in a canoe with five Indians, where he is to make a treaty for right of way with the Indians. A man whose name I forget was sent there overland during the winter by the Ottawa Government, to open negotiations with these Indians, so I expect that Simpson will find everything cut and dry for him. Hopkins was quite wrong about the number of Indian voyageurs we can get here; he said we might get 20 or 30. Mr. McIntyre says he will send off at once and get us about 100 *first-class men* to act as pilots. Simpson's crew return at once from Fort Francis, so he sends me back by them all the news he can regarding the state of affairs there and beyond. Money tells me that he had the most dreadful work with the captain of "Francis Smith," he was drunk all the time and would interfere with him in loading the bullocks and horses; the consequence was that two horses had been badly gored by the bullocks. I am sending you an official asking for a veterinary to be sent here, as there are some horses *hors de combat* from kicks and colds. I daresay that I could allow him to return in the course of a month.

I am, &c.

G. WOLSELEY.

Inclosure 3 in No. 17.

Telegram from Colonel Wolseley to Lieutenant-General the Honourable James Lindsay.

Dated Prince Arthur's Landing, 1st June, 1870.

TEN more wagons, besides those already supplied, are urgently required, as carts are of little use. Propeller "Clematis" arrived 4 P.M. on the 31st with Royal Artillery and Royal Engineers, four guns and ammunition and half Company 60th. Propeller "Amora" arrived this morning at 9.30, with one Company and a half of 60th, all well. Weather very hot.

G. J. WOLSELEY.

Enclosure 4 in No. 17.

Lieutenant-Colonel Bolton to Lieutenant-General the Honourable James Lindsay.

Sir,

Camp Sault St. Marie, 20th May, 1870.

I HAVE the honour to report to you, for the information of the Lieutenant-General, that the steamer "Francis Smith" arrived here this afternoon, troops, &c., as per margin.

The officer in command, Major Robertson, 1st Battalion 60th Rifles, reported to me that the delay in his arrival had arisen from the drunkenness of the master of the vessel; that they had been in considerable danger.

It is said the ship's compasses were out of order.

There were only two small boats on board, no life-preserving belts, and no means of lowering even what boats they had.

I had an interview with the Captain, who declined proceeding to Fort William. I wrote to him on the subject (copy of a letter attached, and received a reply, copy attached).

As I was informed that it was considered important that the 60th should not remain at the Sault, I shall embark half in the "Algoma" and half in the "Brooklyn," although these vessels were intended to take the troops and stores which are due here to-morrow (25th) in the "Prince Alfred," and I have instructed Deputy-Assistant Commissary-General Fuller to try to hire a steamer on Lake Superior to take on the cargo of the "Francis Smith" and of the "Prince Alfred."

I have reported these events to Colonel Wolseley, and in a private letter to Colonel Cumberland.

The Captain of the "Francis Smith" had his clearance for Fort William, and he showed me a telegram received from Colonel Cumberland, which he declared to be his only instructions.

I have, &c.

W. F. BOLTON, *Lieut.-Col., D. A. A. G.,*
Commanding Detachment Troops, Sault St. Marie.

1st Bn. 60th Rifles:

1 Field Officer.

1 Captain.

7 Subalterns.

4 Staff.

16 Sergeants.

10 Corporals.

7 Buglers.

164 Privates.

Commissariat Staff

Corps:

1 Sergeant.

2 Corporals.

8 Privates.

Army Medical Corps:

1 Sergeant.

3 Privates.

Departmental Staff:

5 Officers.

Total 230 of all Ranks,
and

39 Horses.

26 Teamsters.

Inclosure 5 in No. 17.

Lieutenant-Colonel Bolton to Captain of the "Francis Smith."

Sir,

Camp Sault de St. Marie, 24th May, 1870.

WITH reference to our conversation in the office on board your steamer the "Francis Smith" this afternoon, I have to request that you will proceed to Fort William, first disembarking the troops, &c., and passing the canal to-morrow morning, then placing your vessel at the Lake Superior end of the Sault Portage, where the "Algoma" is lying, when I will re-embark the troops and equipage.

I request that you will acknowledge the receipt of this letter, stating what you intended to do, or not to do. You can be furnished with an experienced pilot here, and I request your authority to place one on board (in writing).

I have, &c.

W. F. BOLTON, *Lieut.-Col., D. A. A. G.,*
Commanding Troops, Sault de St. Marie.

Inclosure 6 in No. 17.

Captain of the "Francis Smith" to Lieutenant-Colonel Bolton.

Sir,

Sault St. Marie, 24th May, 1870.

NOT having received any instructions before my departure from Collingwood to proceed beyond the "Sault," I did not effect insurance upon the "Francis Smith" for Lake Superior, and the insurance now held on the "Francis Smith" only covers as far as this point, consequently I could not think of proceeding to Fort William without a special guarantee of 65,000 dollars, and also a stipulated amount for conveyance. In the event of your not complying with my request within two hours, I shall charge for the "Francis Smith" at the rate of 500 dollars for every twenty-four hours after 10 P.M. to night. Also, should you decide to disembark the troops here and the freight, I require that you should certify my manifest for conveyance of some to the Sault, otherwise I must hold the freight subject to regular charges on freight and passengers.

I beg to thank you for your kindness in offering to furnish me with an experienced pilot, and shall be most happy to accept of his services should you and I come to an understanding.

I have, &c.

W. H. SMITH, *Master.*

Inclosure 7 in No. 17.

Colonel Fielden to the Deputy Adjutant-General, Montreal.

Sir,

Toronto, 1st June, 1870.

I HAVE the honour to report for the information of the Lieutenant-General Commanding that I went yesterday morning to Collingwood with three Companies and Head-Quarters of the Ontario Rifles, and three Companies of the Quebec Rifles.

On arrival they immediately embarked on board the "Chicora" and "Prince Alfred." The "Chicora," in addition to 224 officers and men, took 40 horses, and a considerable quantity of provisions direct to Thunder Bay, and 14 Boats.

A weak Company of the Quebec Battalion went on board the "Chicora," and I recommended (by letter) to Lieutenant-Colonel Bolton that he should send forward a Company of the Ontario Battalion with its own Head-Quarters from the Sault, retaining instead the Company of Quebec Rifles.

The "Algoma" will sail on Saturday with Head-Quarters and about 114 officers and men of the Quebec Battalion, about 60 voyageurs, 28 horses and oxen, with boat and freight.

By the boat of the following week I propose to take the remaining Company of the Quebec Battalion (and as many recruits as we may be able to obtain within the time), about 5 horses, 10 oxen, and some barrels of biscuits, with boats, if any remain still at Collingwood.

I cannot ascertain if additional boats or provisions are to be sent here from Quebec or Montreal, but suppose that all have already arrived.

The men embarked in excellent order yesterday; those remaining here are making fair progress.

They have commenced target practice.

The order for musquito nets for the Volunteers has been received, and will be put in force at once, though the difficulty of additional charges has arisen, the makers saying that the quantity of material now required cannot be procured at the original price.

Surgeon Nelson, of the French Volunteer Battalion, I have informed Lieutenant-Colonel Williams, 60th Rifles, will be available till Saturday to attend to the Hospital of the 60th Rifles, on which date it will be easy to provide civil attendance both for the remaining Companies of Volunteers and the Detachment 60th Rifles if necessary.

In the ranks of the Ontario Rifles are several medical men holding diploma, and in regular practice in their own districts. One of these was appointed to take medical charge of the men in the "Chicora," a second I attached to the French Companies in the "Prince Alfred."

I have, &c.

R. F. FIELDEN, *Colonel,*
1st Bn. 60th Rifles.

Inclosure 8 in No. 17.

Colonel Fielden to the Deputy Adjutant-General, Montreal.

Sir,

Toronto, 5th June, 1870.

I HAVE the honour to report for the information of the Lieut.-General Commanding that the "Algoma" left Collingwood yesterday at 4 o'clock P.M., with the following:—viz., Head-Quarters and 120 officers and men of the Quebec Battalion, 62 voyageurs, 26 horses and oxen, 12 boats, and a large quantity of provisions for the expeditionary force.

The "Rescue" left the day before yesterday, with a barge in tow having a large quantity of hay on board.

The men of the Quebec Battalion behaved well. I did not notice any irregularity or drunkenness whatever, and the Officers were very attentive to their duties, from their leaving the Crystal Palace to the time of the companies being embarked on board the "Algoma."

I have every reason now to believe that this Battalion will be complete in numbers before I leave with the last two companies next Friday, as is my present intention.

And unless something very unforeseen should occur, the whole of the material for the expedition will have left Collingwood for Thunder Bay, Fort William, when the "Chicora" gets under weigh on Friday, the 10th instant.

It is to be hoped that the voyageurs will be in time for the next boat. A considerable number are still called for.

Veterinary-Surgeon Tozer reported himself this day. He was unable to arrive yesterday in time for the "Algoma."

Captain Dundas and Lieutenant Buller of the 1st Battalion 60th also proceeded in "Algoma."

It will I fear be impossible for me to obtain the services of a medical officer for the party to leave by the "Chicora," nor do I find any among the men of the Quebec battalion who have any knowledge of physic. I should be glad, therefore, if I may be furnished by return of post with a list of such medicines as might be possibly required during the short voyage.

I expect to have 100 men and 6 officers with me; should I not receive such a list on Thursday morning, I will apply to the civil practitioner now looking after the troops in this place.

I have, &c.

R. F. FIELDEN, *Colonel,*
1st Bn. 60th Rifles.

No. 18.

Lieutenant-General the Hon. James Lindsay to the Secretary of State for War.

Sir,

Montreal, 1st July, 1870.

IN continuation of the inclosure of my letter E 2464, of 10th June, 1870, I have now the honour to submit a copy of a report that I have addressed to His Excellency the Governor-General, respecting the progress of the Red River Expedition.

I have, &c.

JAS. LINDSAY, *Lieut.-General,*
Commanding Ontario and Quebec.

Inclosure in No. 18.

The Military Secretary to his Excellency the Governor-General.

Sir,

Montreal, 29th June, 1870.

1. SINCE the Lieut.-General Commanding addressed his Report R. R. 55 of 7th June, to his Excellency the Governor-General, respecting the progress of the Red River Expedition, Colonel Wolseley has reported the arrival, at Prince Arthur's Landing, of the whole of the troops, supplies, stores, and transport, with the exception of two companies of the Quebec Rifles, which left the Sault under Lieut.-Colonel Bolton, to join him on the 19th June, clearing out that point entirely.

2. The Lake Transport Service was considerably delayed by the failure of the "Francis Smith" to fulfil her engagement; and, had not Lieut.-Colonel Bolton taken the most energetic measures to replace her, by hiring steamers on Lake Superior, the expedition would have come to a standstill.

3. Since Colonel Wolseley returned from his first reconnoissance of the road—reported to you in R. R. 55—his troops have been employed in landing stores, opening communications and drains in camp, building a magazine with a wharf near it, constructing a palisaded redoubt 25 feet by 15 feet for protection after the expedition shall have moved forward, gun and rifle practice, learning to row, and the use of the Army Signal System.

On the 28th May, the day after their arrival, 2 companies of the 60th were detached towards the Kaministiquia Bridge to work on the road, and a third company followed on the 2nd June. Of these 1 company was ordered on the 16th June to go 2½ miles beyond the Oskondigee Creek to work on the road.

4. On the 2nd June the first line of wagons (5) with supplies started. The first line of wagons with boats started on the 3rd. Twenty-eight boats in all have been sent by road and two of them have been badly damaged by careless driving.

5. The weather up to the 4th June was very hot and fine; under these circumstances there is great danger from fire, the very ground appearing to burst unaccountably into flame.

The fine weather was succeeded by a week of rain and storm; and on the 6th June 12 boats broke from their moorings in Thunder Bay and came ashore, one was badly injured.

6. The health and spirits of the troops are very good, and the rations are excellent.

7. The personal equipment of the Militia is still incomplete. They have only one pair of trousers each, and those very thick ones.

Their free kit boots, issued by the Canadian Government, have turned out badly, and the men are discontented at being made to pay for the boots from Army Stores sent up

to replace them. This question has already been represented to the Militia Department and calls for immediate action.

8. Colonel Wolseley's attention has been principally engaged by the road to Shebandowan, and his means of transport for his supplies and boats to that point.

His Excellency will be able to form an opinion as to the state of the road from the following extracts of Reports of recent reconnoissances made of it, and from the tracing which accompanies this Report.

Colonel Wolseley, writing on the 9th June, says:—"I started from camp on Monday morning, 6th, at 4:30 A.M., to ride along the road as far as I could. It poured with rain all Monday, Tuesday, and yesterday, up to about 4 P.M. At the present moment the road may be said to end at the Oskondigee Creek, 75 feet wide. It is still unbridged, but a gang of men reached there on Monday evening to construct a bridge, which will not take long, although there is difficulty about timber, as the fire has not only destroyed all that had been prepared for it during the winter, but also all the large trees in the neighbourhood. For the last eight or nine miles before reaching that creek the road is only a track, and is impassable for loaded wagons in wet weather. My horse was tired out in going over it at a walk. Strong gangs of men are now working at it; and I think that by the 25th inst. it will be open for traffic. Wherever it is corduroyed it is good; but wherever the road passes over simple marl or clay it is hopelessly bad during such weather as we had for the last three days.

"Assistant Controller Irvine was with me, and we camped for the night on the bank of the Oskondigee, which they call 37 miles from this place, but which is really, I am sure, a good 40 miles. On Tuesday we crossed the Creek on a temporary raft. I walked on to a hill from whence I could obtain a *peep* beyond; but as the road was only an execrable track after it had gone about a mile from the Creek, I halted, but sent Assistant Controller Irvine on. He got on about 2½ or 3 miles when the track became so bad and swampy that he turned back. It is cut up to the 'Dam site.' A strong gang has now been turned on to it, and I hope it will be passable for wagons by the time we require it."

Lieutenant-Colonel McNeill, reporting to Colonel Wolseley on the 16th June, says:—

"Left the camp at 4:30 A.M. on the 14th June, and proceeded to the bridge over the Oskondigee Creek, arriving there about 5 P.M. Walked to camp, about a mile further on, and ordered a canoe to be at the 'Dam site' the next morning.

"15th, walked to the 'Dam site,' and embarked at 10 A.M. Poled up five short rapids, and tracked up one rapid, reaching the point on the lake to which the road will eventually be brought at 11 A.M. At this place there is a fair camping ground. Immediately to the right, on entering the Lake, there is a Sandy Bay, and on the bank there is a favourable position for forming a *depôt* of stores. The distance from the Oskondigee Creek to the 'Dam site' is 5½ miles; of this rather more than 4 miles have been cleared of timber, and a rough wagon-road formed. The remaining mile has not yet been touched. The distance from the 'Dam site' to the Lake is 3 miles, and no portion of this has yet been cleared. It will require at least one week's labour to complete a fair wagon-road from the Oskondigee Creek to the 'Dam site.' I started from the Creek at 6 P.M., and reached the camp at Thunder Bay at about 1 o'clock the next morning, the distance being about 38 miles. The whole line of road has suffered much from the recent heavy rains. Between the Matawin and Oskondigee Creek there are 2 miles in one place and about 1 in another that are almost impassable, and it will be at least a week or ten days before horse transport can be employed on this part of the line. Between the Kaministiquia and Matawin Rivers there are two or three bad places, amounting in all, in distance, to about a mile and a half."

9. With regard to the transport, the carts provided are useless for carrying supplies, and are only suited for work about the camp.

To replace them, in part, 10 wagons have been sent up by Lieutenant-Colonel Wily. Some farmers' wagons, with teams and drivers complete, have also been hired by the Control Department, near Collingwood, by the day, and sent to Thunder Bay.

The road, however, has been so bad, in consequence of its incompleteness, and of wet weather, that it has been only possible to put 1,000 lb. loads into each wagon, and many horses have been on the sick list from exposure and over-work on deep roads. As the ration of forage has been increased, and as a Veterinary-Surgeon and Collar-maker have arrived, improvement in their condition may be expected.

10. Colonel Wolseley has always desired to test the feasibility of passing boats up the Kaministiquia and Matawin, so as to relieve his Land Transport.

Mr. Dawson did not think this possible, but Mr. McIntyre, Hudson Bay Company's Officer at Fort William, declared the route perfectly practicable, and gave his own voyageurs and guides for the attempt.

The experiment was commenced on the 4th June by Captain Young and 34 men of the 60th in six boats, and his progress is detailed by that officer as follows:—

"Left the camp, Thunder Bay, at 6:45 A.M., on the 4th, and were towed to Fort William. We left Fort William at about 9 A.M., and rowed up the Kaministiquia to Point Meurons, where we arrived at 12 noon, and halted to dine. We proceeded again about 1:45, and after rowing about 2 miles further, came to rapids, where we had to lay the oars aside and take to poling and tracking for 6 miles further, where we camped.

"We started early on the 5th and arrived at Portage Parisie at 9 A.M. Portage

“ 350 yards, but the Indians managed to take the boats up the rapid, so that only the stores, rifles, &c. were carried by land. We went on again at 10:30 A.M. and poled and tracked until 12 noon, when we had to run ashore from a violent thunderstorm. We stopped at 1 P.M. for dinner, at the point where White Fish River meets the Kaministiquia, and went on again at 2:20, tracking and poling, also a little rowing, but very little of the latter, and arrived at the foot of the Kakabeka Falls about 6 P.M. and camped; for the last half a mile the carvel boats had to be taken up by the Indians alone, and the men of the detachment belonging to them marched along the bank through the bush.

“ On the morning of the 6th it rained heavily, so we did not get to work until 8 A.M., after breakfast, when the Indians began to cut a portage road, and our men to take stores, &c., across the portage, which I found to be about 1,750 paces; after dinner a considerable part of the road being made we carried the boats up to the top of a rocky hill, the angle at least 45°, it was very hard work, especially with the carvel boats, the red boats (flat bottom) being got over with considerably less difficulty. We got the stores, boats, &c., over the portage by 7 P.M.

“ Early on the 7th we embarked everything and pulled for about a quarter of a mile to another portage which I made to be 1,100 paces; this portage was very rocky, and it took us until 5 P.M. to get boats, stores, &c., over and re-embark. We then went on for about 1½ mile to another portage, where, however, the Indians got the boats up and our men portaged the stores; this occupied us until 7 P.M., when we camped.

“ The following morning, the 8th, when I met you and Colonel* Irvine, was very wet, and continued so until late in the afternoon, when the Indians took the two carvel boats up the remainder of the rapid. The river rose considerably (at least two feet) from the previous rain.

“ On the morning of the 9th we started again at 4 A.M. and went on to Portage de L'Isle, which is over an island and very short, only about 50 paces, then we went on to another portage a couple of hundred yards off, where the stores, &c., were disembarked. After breakfast the Indians felled trees and made a portage road, about 700 paces. When it was finished we got the boats over and re-embarked, but soon came to another portage of about 500 paces, and got stores &c., over and dined. The Indians then made another road and we took the boats over, and went on again through several rapids, very close together, when the men of the detachment had, in very nearly every case, to disembark, and the Indians took the boats up assisted by tracking lines hauled by our men until about 6:30 P.M., when we camped.

“ This morning, the 9th, we started about 7:30, the men having previously breakfasted. It rained hard until 6:30, so I thought it advisable not to go on, but as it cleared about 6:30 I had tea made and gave the men breakfast and came on here (Kaministiquia Bridge) without much difficulty, except at one place, where a portion of the stores were carried overland for 400 paces, the Indians poling the boats up the rapid with the remainder. The route which we came by would, I consider, be very destructive to the clinker built boats.

“ In accordance with your instructions I propose going to the Matawin Bridge tomorrow morning, and must, I fear, leave all the boats there. The Indian voyageurs say it would be impossible to take the large boats to the Shebandowan Lake, but they have been prevailed on by C. Gaumon, Mr. McIntyre's agent, to go on to the Matawin Bridge. They say it is a very hard bit of road, and though only five miles it will take us a day and a half.”

Notwithstanding these gloomy prognostications, on the 12th June Captain Young reported the safe arrival of his boats at the Matawin Bridge. He says, “The water in the river being very high, we had no portages.”

On the 13th June, Captain Young left the Matawin Bridge early in one of the Red Ottawa flat-bottomed boats, and for 4 miles did not meet with any difficulty worthy of mention; he then came to a bad rapid, where he made a portage road of 120 yards. For about 4 miles above there is a succession of rapids, up which they managed to pole and track, making a short portage of 20 yards. They then came to a rapid where the river runs through a gorge with perpendicular sides, and water so rough and rocky, with falls, that it was impossible to track or pole. On looking from the highest accessible point, the river, for at least three-quarters of a mile, seemed in the same state, and the banks were so rough, and the ascent so abrupt, that a portage road could not be formed. Captain Young considered it impossible to take the large boats by this route unless a regular road is made, and even then the assistance of many men would be required, as the highest point is more than 120 feet above the river.

11. The practicability of this water communication having been shown, Colonel Wolseley determined to send the whole of his boats by that route, and to devote his Land Transport to supplies. Mr. Dawson acceded to this arrangement, but declined the assistance of soldiers, as he had plenty of voyageurs.

12. Colonel Wolseley's plan is, therefore, to collect all his boats by the water route, at a point on the Matawin River, 5 miles below the Dam site. Over these 5 miles they will be transported by the road which is now being pushed forward; and from the Dam site, where the road is to end, they will be poled up into Lake Shebandowan.

Meantime depôts of supplies have been formed at the Kaministiquia and Matawin Bridges, where there are clearings which promise a partial immunity from the danger of

* Qy. Assistant-Controller?

fire. From these points the supplies will be carried by road to the Dam site, whence Mr. Dawson has guaranteed to get them up to the Lake in some flat-bottomed Ottawa boats as fast as they can be delivered to him.

13. The point to which this plan had been carried out at the date of Colonel Wolseley's last Report, 19th June, is as follows:—

35 days' rations for 1,500 men were in dépôt either at the Kaministiquia or Matawin Bridges.

50 boats had reached the Matawin Bridge; 10 were to leave on the day he wrote, and 12 were to follow very shortly.

Colonel Wolseley says:—"When I have 100, or even 80 boats on the Lake, and provisions for 1,500 men for 60 days there, I shall move off by detachments.

"I am still in hopes of being able to leave Fort Francis for Fort Garry on the 1st August."

14. From the above account his Excellency will see that the advance of the force is entirely dependent upon the completion of the road from the Matawin Bridge to the Dam site, the terminus now fixed upon; and upon Mr. Dawson being able to carry out his engagement to take the supplies as fast as delivered to him from that point up into Lake Shebandowan.

A letter from Mr. Simpson dated Fort Francis, 10th June, was received at Prince Arthur's Landing on the 17th, and says, "that the latest news there from Fort Garry was "in April, when all was quiet; that the Indians would resist any Fenian raid; that there "would not be much trouble in making a treaty for right of way; that only two men had as "yet been obtained as guides; that the Indians were to hold a grand Council on the 20th "June; that the portages would be cut, and drift wood cleared from the French River by "the crews of the canoes leaving Fort Francis that day for Fort William; that by this means "there would be water enough in the French river for the boats; that the Hudson Bay "Company's Agent, Mr. McKenzie, would put plenty of storage at the disposal of Colonel "Wolseley at Fort Francis; that the road from north-west angle of the Lake of the Woods "to Fort Garry was reported impassable by Indians and Hudson Bay Company's officials; "that the route from Fort Francis to Fort Alexander would take about 11 days, for boats "laden with 80 pieces of 90 lbs. each; that the portages on the route were all in good "order; that the Hudson Bay Company's brigade of boats left Fort Francis for York "Factory; that he (Mr. Simpson) had had a long trip, arriving on the 8th June; weather "very wet, and head winds."

I have, &c.

(Signed) WM. EARLE, *Military Secretary.*

No. 19.

Lieutenant-General the Hon. James Lindsay to the Secretary of State for War.

Sir,

Montreal, 15th July, 1870.

REFERRING to my letter of the 7th July, respecting the division of the general expenses of the Red River Expedition, I have now the honour to enclose you a copy of a communication which I have addressed to the Governor-General on the subject, with the view not only of informing His Excellency of my proceedings in the matter, but of arranging that any further representation from the Canadian Government should be made to the Colonial Office and not to me.

The construction to be placed upon the telegrams that have passed is certainly open to argument, and Canada may contend that she has read them in a way more favourable to herself than I have done.

I assume that Her Majesty's Government will be glad to avoid any discussion of this kind, if the interests with which it is charged justify it in doing so.

I venture therefore to express my belief that there would be no ground left for dispute if the Imperial Government engaged to pay one-fourth of the total of the general expenses of the whole force sent, instead of the share of 250 regulars only.

Indeed, the Secretary of State for the Colonies is reported to have said in the House of Lords that England would pay one-third.

The difference which either proportion would make in the sum to be found by the Imperial Government is small, considering the object in view. Its exact amount can easily be ascertained from the detailed accounts I send home by this mail.

I have, &c.

(Signed) JAS. LINDSAY, *Lieut.-Gen.,*
Comm. in Brit. North America.

Enclosure in No. 19.

Lieutenant-General the Hon. James Lindsay to the Right Hon. Sir John Young.

Sir,

Clifton House, 10th July, 1870.

SINCE addressing my letter, R.R. 60, of 14th June, to your Excellency, in reply to the Minister of Militia's letter 2008, of 4th June, I have been informed by the Secretary of State for War, of the construction placed by Her Majesty's Government upon the correspondence that has passed, as to the proportion in which England and Canada should bear the general expenses of the Red River Expedition, and I believe that a copy of a letter, dated 23rd June, from the Secretary of State for the Colonies to the Secretary of State for War, containing those views, has already been sent direct to your Excellency.

I have now the honour to enclose a copy of a further letter that I have addressed to the Secretary of State for War, reporting the divergence of the Canadian Government's views from mine on this subject, and explaining the manner in which I propose, notwithstanding, to divide the sum total of the Estimates.

My opinion, as to the pecuniary responsibilities of the Imperial Government in the matter, has been framed, not only after a careful perusal of the telegrams that have passed, but with the engagement before me, made by the Canadian Government in the Minister of Militia's letter 1817 of 26th April, a copy of which I enclose.

This letter was written in reply to my letter to you, R.R. 7, of 23rd April, in which I pointed out the desirability of increasing the number of Regulars to be employed in the Expedition, and in which I said, "Any expense, consequent upon an increase of the "Regular Force, should fall upon the Dominion," and a reference to the letter itself will show that I went into considerable detail as to the nature of these expenses.

Whatever other points therefore "the language of the telegrams may leave open for "argument," the one of the payment by Canada of all additional expenses incurred by the employment of 140 extra Regulars appears to be conclusively settled by the Minister of Militia's letter of 26th April.

The number of men to compose the force was originally proposed by Canada to be 1,000, and I accepted that number on first arrival, and until a better knowledge of the nature of the service, and the state of preparation of the Militia caused me to recommend a slight increase.

It is upon the number and the proportion that the 250 Regulars originally asked for, and authorized, bear to it, that the share of Canada was fixed at three-fourths. I cannot reconcile the statement reported to have been made in the House of Lords by Lord Granville that England would pay one-third, with the correspondence that has passed, and can only suggest that his Lordship has taken that proportion as the one existing between 250 Regulars and 500, the minimum force to be sent by Canada, mentioned in one of his telegrams.

I have taken steps to find out what part of the road expenses may be fairly attributed to the Expedition, and when these shall have been ascertained, they can of course be added at any time to the general account.

In submitting these remarks to your Excellency, my intention is merely to put you in possession of the grounds upon which I have proceeded in dividing the general expenses of the Expedition.

Should they appear insufficient to the Canadian Government, I presume that any representation to the Imperial Government, that may be thought necessary, will be made by your Excellency to the Colonial Secretary.

I have, &c.

(Signed) JAS. LINDSAY, *Lieut.-Gen.*

No. 20.

The War Office to Lieutenant-General the Hon. James Lindsay.

Sir,

War Office, 18th August, 1870.

I AM directed by Mr. Secretary Cardwell to acquaint you that a telegram to the following effect has been sent to you this day:—

"Received your letter of 1st August. British troops *must* return from "Red River Expedition."

I have, &c.

(Signed) EDWARD LUGARD.

Lieutenant-General the Hon. James Lindsay to the Secretary of State for War.

Sir,

Head-Quarters, Montreal, 19th August, 1870.

I HAVE the honour to transmit, in continuation of the enclosure of my letter, E 2484, of 1st July, 1870, a copy of a further report, R.R. 137, of 18th August, upon the progress of the Red River Expedition, that I have addressed to His Excellency the Governor-General.

Colonel Wolseley arrived at Fort Francis, all well, on the 4th August.

I also transmit a report of 16th July, by Colonel Wolseley, upon the causes of delay experienced by the Expedition, a copy of which I have submitted to the Governor-General.

I have, &c.

(Signed) JAS. LINDSAY, *Lieut.-General,*
Commanding Ontario and Quebec.

Enclosure 1 in No. 21.

The Military Secretary to the Military Secretary to His Excellency the Governor-General.

Sir,

Montreal, 18th August, 1870.

1. MY Report, R.R. 75, of 29th June, 1870, detailed the progress of the Red River Expedition up to the 19th June.

2. On the 28th June the Lieutenant-General paid a visit to Thunder Bay remaining to the 3rd July, between which date he rode to the Shebandowan Lakes and returned by the river.

3. On the 5th July, Colonel Wolseley moved his Head-Quarters to Matawin, in order to superintend more readily the passage of supplies and boats. Before leaving, he selected a company of the Quebec Militia to form the garrison of Prince Arthur's Landing and its redoubt till the return of the Expedition.

4. I have now the honour, by desire of Lieutenant-General Commanding, to enclose a copy of a Report from Colonel Wolseley of the 16th July, 1870, in which he recalls the cause of the great delays that have taken place, and describes the manner in which the boats and supplies have been passed from Lake Superior to Lake Shebandowan. The amount of assistance given to Mr. Dawson in the shape of Military Labour is as follows :—

	Number of days' work done.			Total.
	Serjeants.	Corporals.	Privates.	
60th Rifles—				
From 27th May to 16th July	291½	217½	3,295½	3,804½
Ontario Rifles—				
From 5th June to 15th July	135½	150	1,244	1,529½
Quebec Rifles—				
From 9th June to 16th July	99	67	774½	940½
	526	434½	5,314	6,274½

The hard work which the troops have had to do has not hurt their health ; this may be attributed to the absence of liquor and to the good food they have received. Even at the " Dam Site " and at the Shebandowan Lake, the troops had fresh meat and bread. The cattle were slaughtered at Oskondagee Creek, and the meat sent daily.

The bread was baked in camp at a field-oven, which had been already used 7 weeks at Prince Arthur's Landing.

On the 17th July this oven, worked by two men, turned out 470 rations of bread in 1½ lb. loaves in 12 hours.

5. Several fearful storms took place at different times making the road temporarily impassable, and raising such a swell in McNeill's Bay that it was impossible to load the boats and start the brigades.

6. Delays have also arisen from the difficulty of getting the Indians to work on Sunday. In fact, as nothing could be taken up the rapids between the Dam Site and the lake without the assistance of the Indians, the force was completely at their mercy, and they seem to have regulated their own day's work. Colonel Wolseley by good management brought these men to terms and, notwithstanding their notions respecting work, speaks highly of their usefulness and civility.

7. On the 16th July, Colonel Wolseley had at length overcome all the difficulties of the road and transport, and after a great deal of trouble in fitting out the boats with their

gear, which was in an endless state of confusion, started his first detachment of troops for Fort Francis. It was under the Command of Colonel Fielden, 60th Rifles, and was divided amongst 3 brigades of boats.

The numbers were 150 military all ranks, 34 voyageurs, and 1 guide, in 17 boats; 60 days supplies and all necessary stores, ammunition, and equipments for the men, both soldiers and voyageurs, were on board each boat, besides some reserve stores, &c., &c.

8. The following is a tabular statement showing how this operation was conducted from 16th July to 23rd July :—

Date.	Number of Brigade.	Number of Boats.	Commanders.	Regiment.	Number Embarked.				Total.
					Officers.	Men.	Voyageurs.	Guides.	
16th July	A	6	Captain Young	1st Bn. 60th ..	5	50	12	1	68
16th "	B	6	Captain Ward	1st Bn. 60th ..	4	50	12	—	66
16th "	C	5	Lieutenant Alleyne, R.A.	R. A. and R. E.	2	38	10	—	50
17th "	D	7	Captain Dundas	1st Bn. 60th ..	4	50	14	1	69
17th "	E	6	" Buller	1st Bn. 60th ..	3	50	12	—	65
18th "	F	6	" Northey ..	1st Bn. 60th ..	3	49	12	1	65
				A. S. C... ..					
19th "	G	7	" Wallace	A. H. C... ..					
21st "	H	6	" Calderon	1st Bn. 60th ..	5	58	14	1	78
21st "	I	6	" Scott	Ontario Rifles ..	4	49	12	1	66
21st "	Gig.	1	" Huyshe, 1st R. B.	Head-Qr. Staff ..	6	48	12	1	67
22nd "	K	6	" Mc Donald	—	2	4	2	—	8
22nd "	L	6	"	Ontario Rifles ..	4	49	12	—	65
22nd "				Ontario Rifles ..	3	48	12	1	64
					45	543	136	7	731

Lieutenant-Colonel McNeill reports later that the number embarked from 23rd July to 1st August were as follows :—

Forty-two officers, 505 men, 120 voyageurs, and 8 guides, making a total for the Expedition of 87 Officers, 1,048 men, 256 voyageurs, 15 guides. Grand total 1,406.

9. After L Brigade had started on the 22nd July, Colonel Wolseley reports that the following supplies for all embarked, being 731 men, had been sent on, distributed throughout the different brigades :—

85	days rations of	biscuit or flour,
66	"	pork,
71	"	sugar,
69	"	tea,
71	"	beans or potatoes,

Also a field hospital for 35 men in bell tents, and a field bakery for Fort Francis, and all necessary medical comforts and stores.

The brigades that were to follow would, in addition to the minimum of 60 days' rations per man embarked, take on a certain amount of extra supplies, so that Colonel Wolseley expected that, when all should have been embarked, provisions to last the force up to the 30th September would have left Shebandowan Lake with it.

He would thus be entirely independent of any food, such as fresh meat, that might be got by the way as a reserve; and to meet the wants of the returning Regulars, Colonel Wolseley arranged with Mr. Dawson to send on to Fort Francis by 15th September 20,000 rations complete, commencing directly the last detachment had left. Reports that this operation is in progress have been received.

10. On the 23rd July, Colonel Wolseley himself started from Shebandowan in a light canoe with the intention of catching up the leading brigades.

Colonel Fielden had orders to go slowly, improving the portages, and in any case to close up the Regulars so as to make a show of force on arriving at Fort Francis.

Brigades M and N were to start on the 23rd July, and O and P, if possible, on the following day, thus completing the Ontario Battalion.

11. Colonel Wolseley would therefore see $\frac{3}{4}$ of the force under weigh, leaving Lieutenant-Colonel McNeill at Shebandowan to start the remainder.

This officer has reported that he did not get the last of the Ontario Battalion off till the 26th July, but that he despatched the last detachment of the Quebec Battalion under Lieutenant-Colonel Casault on the 1st August, and intended to leave himself on the 3rd August; and barring accidents, to join Colonel Wolseley at Fort Francis by the 9th August—3½ days.

12. After Colonel Wolseley had started, he sent back to Lieutenant-Colonel McNeill to send him on all available boat carpenters with their tools and material, as the boats appear from their rough work to have been much shaken. This was accordingly done.

13. Colonel Wolseley, before leaving Shebandowan, wrote that his further movements depended upon the intelligence as to the state of affairs in Manitoba that he might receive at Fort Francis.

If he felt confident that there would be no opposition he would at once push forward

to Fort Alexander in the same order as that in which he advanced to Fort Francis, hoping to reach Fort Alexander about 16th August.

His intention was to halt there, probably two days, so as to close up the Regulars before finally advancing to Fort Garry.

14. The following telegram from Colonel Wolseley at Fort Francis, dated 4th August, shows how far and with what success the leading brigades of the Expedition have pushed their way :—

“ We arrived here this morning all well ; very few Indians here ; weather very fine, “ but were detained two days on Rainy Lake by contrary winds.

“ First detachment will leave for Rât Portage to-morrow.

“ Butler from Fort Garry arrived here this morning ; all was quiet there on 24th July.”

15. You will see by this that the Expedition is going down the Winnipeg River. The road from the N.W. corner of the Lake of the Woods to Fort Garry is not made, and the excited and divided state of the people in the settlement prevent their setting to work to complete it.

16. Colonel Wolseley is indebted to Mr. Donald Smith of the Hudson’s Bay Company for arranging that the Expedition shall have 3 head of cattle at Fort Francis, 1 or 2 at Rât Portage, and 12 to 15 at Fort Alexander.

17. The mission of Lieutenant Butler, 69th Regiment, by Minnesota to Fort Garry, and thence up the Winnipeg River to meet the Expedition, has been most useful to Colonel Wolseley, who has now for the first time reliable information respecting the state of affairs in Manitoba, the non-existence of any road to the N.W. angle of the Lake of the Woods, the real difficulty of the Winnipeg rapids, and the possibility of getting supplies in the settlement.

With proper intelligence on these points Colonel Wolseley can now advance surely, and the Lieutenant-General does not doubt that, thanks to the energy and vigour which have been imparted to the whole force by its Commander, he will be able to report to his Excellency on the 1st September, or shortly after, that the Expedition has reached Fort Garry.

I have, &c.
(Signed) WM. EARLE, *Military Secretary.*

Enclosure 2 in No. 21.

Colonel Wolseley to the Military Secretary, Montreal.

Camp, Ward’s Landing, 3 miles from Shebandowan Lake,
16th July, 1870.

Sir,

I HAVE the honour to report for the information of the Lieutenant-General Commanding in British North America, that the first detachment, strength as per margin, under the command of Colonel Feilden, 1st Battalion 60th Rifles, embarked in 17 boats at Mc Neill’s Bay, Shebandowan Lake, to-day, and started at 9 o’clock, P.M. They have with them complete rations for 60 days.

I hope to be able to get off the rest of the force in detachments of about 100 daily. I regret extremely that so much delay has occurred in starting the expedition from Shebandowan Lake, but I humbly submit that it was not in any way attributable to want of energy or arrangement on the part of the military, but has been occasioned by circumstances over which they could exercise no control whatever.

I take the liberty of briefly recounting the two most salient of the causes which in my opinion have kept us back.

1st. The original plan of military operation was based upon the belief that the regular troops (more than one-third of the whole force), were to have left Collingwood for Thunder Bay in the first week of May, whereas they did not leave that port until the 21st, 25th, and 26th of that month. This delay is attributable, in my opinion, to two causes: 1st, the slowness of the Dominion Government in making arrangements for conveying the force and its equipment across the lakes; and 2ndly, to the action taken by the United States authorities in closing the canal at Sault Ste. Marie to our shipping.

I trust you will pardon my briefly recapitulating the circumstances bearing upon the arrangements made for lake transport.

The Lieutenant-General having proceeded to Collingwood on the 5th of May, and made all preliminary arrangements for the despatch of the regular troops and a considerable number of horses, bullocks, &c., by the steamers “Chicora” and “Francis Smith,” on the 7th and 9th of that month respectively, and having telegraphed to Ottawa for authority to close with the advantageous offers he had received from the owners of those steamers, was instructed to hold on and to make no arrangements, as the Postmaster-General would undertake the duty of hiring steamers. The Lieutenant-General having therefore no authority to enter into any agreement with the owners of the “Chicora,” that steamer started immediately on her regular trip for Thunder Bay. Although she had no military equipment on board, she was prevented by the United States authorities from passing through the canal at Sault Ste. Marie; she therefore returned to Collingwood.

Lake Transport
arrangements as pro-
posed by the Lieut.-
General Commanding.

First cause of delay.

This action on the part of the United States Government necessitated the organization of a Land Transport Service at the Sault for the conveyance of all our supplies from the lower to the upper end of the Portage, a distance of about 3½ miles. The steamer "Algoma" had most fortunately succeeded in passing through the canal on the 6th May, and had been kept on Lake Superior in order to render us independent should the canal be closed to our shipping.

Organization of Land Transport for the Sault.

It was not until late at night on the 12th May, that I received instructions from Ottawa authorising me to send forward troops. By the early train next morning I despatched Lieutenant-Colonel Bolton to Collingwood to superintend fitting up the "Chicora" (which had just returned to that port), for the conveyance of as many horses as she could carry. She sailed on the day following with the troops and horses noted in the margin, together with a large amount of stores.

1st Ontario Rifles.
7 officers, 100 rank and file, 24 horses.

The steamer "Wanbano" followed on the 16th with two additional companies of militia, all to be stationed at the Sault Ste. Marie until the troops and stores had passed through; for having been informed that it was possible the Fenians might attempt to destroy our stores whilst in transit through that place, I considered it necessary to be strong there.

The subsequent despatch of the force had to conform to the dates of sailing of the regular line of steamers, plying in their accustomed manner, one upon every fifth day, between Lakes Huron and Superior, those vessels never being entirely at our disposal, but carrying private freight and passengers along with our stores. On the 17th May I was informed in a telegram from the Lieutenant-General that our vessels when not laden with military stores would be allowed to pass through the canal. After that date at every trip made by the "Algoma" or "Chicora" they carried as many troops, boats, horses, stores, &c., as could be placed on board, until everything intended for the Expedition had arrived at Prince Arthur's Landing, Thunder Bay. The troops and all military equipment, whilst *en route* through the Ste. Marie river being disembarked, in every instance, at the lower end of the rapids, and carried by wagons to a point above, where they were again embarked on the same vessels.

Despatch of the main body.

The 1st Detachment, under my own personal command, disembarked at Prince Arthur's Landing on the 25th May, and the last reached that place on the 21st June.

Disembarkation at Prince Arthur's Landing.
Accumulation of Stores at the Sault Ste. Marie.

During this operation at some times large accumulations of stores took place at the Sault, as the "Prince Alfred" gunboat, the "Wanbano," the "Francis Smith," and "Rescue" all discharged cargoes there, and did not go through the canal. There were no means for protecting from the weather the stores thus delivered by those boats, and the regular line of steamers were unable to do anything towards relieving the pressure, as they arrived so full that nothing of any consequence could be shipped in them. Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General, whom I had left in command there, seeing that the stores would be destroyed if left exposed to the sun and rain, shipped them in American bottoms for their destination, making the best arrangements he could with the American owners for that purpose.

Shipment of Stores in American vessels.

You will perceive by the above statement that a week was thus lost in despatching the first detachment, owing to the non-approval by the Dominion Government of the arrangements made in the first instance by the Lieutenant-General Commanding for lake transport, and that considerable delay was subsequently occasioned by the closing of the canal to our vessels.

The second important cause of delay was, I consider, the want of a road between Thunder Bay and Shebandowan Lake, by means of which we could have sent forward our supplies. The original plan of military operations was based upon the belief that the road between those places would be open for traffic along its entire length before the 1st June. I write this on the 16th July, and it is now only cut out as far as this camp (about 3 miles from the lake), whilst some miles of it between the Oskondagee Creek and Young's Landing are still practically useless as a highway for constant and heavy traffic.

Second important cause of delay.

On the 26th May, the day after my arrival, I rode as far as it was practicable for wheeled transport, a distance only of about 28 miles; the total distance by road (as marked out) to the lake being at least 47 miles. Beyond that it was a matter of difficulty to go on horseback, and could not be accomplished without danger to the horse.

First inspection made of the road.

On the 6th June I again rode along it, and penetrated as far as the Oskondagee Creek, a distance of about 38 miles, the last 7 or 8 miles being totally unfit for transport purposes.

Second inspection of road.

The Oskondagee Creek (about 75 feet wide) was still unbridged. From thence to the Dam Site, a distance of about 5 miles, the road was cut out through the woods for half that distance, but the stumps had not been taken out of the ground.

On the 15th June the road was again inspected by Lieutenant-Colonel McNeill, who reported that between the Matawin and Oskondagee Rivers there were still about 3 miles that were almost impassable. The latter river had been bridged, and the road cut to within 1½ miles of the Dam Site, the remaining space being still untouched.

Third inspection of road.

On the 21st June I rode to our furthest camp, half-way between the Oskondagee and Dam Site, and found the road between the Matawin and Oskondagee still practically impassable for wagons. A few, drawn by bullocks, daily passed over, but no organized transport in the world could have existed if ordered to work over it regularly with ordinary loads. There were several places that on horseback were only passed with difficulty. Beyond the Oskondagee the road was not then cut all the way to the Dam Site.

Fourth inspection of road.

Road inspected by the Lieut.-General Commanding.

On the 1st July I accompanied the Lieutenant-General when he inspected the road. He saw for himself upon the occasion, the hopeless condition which it was in, and as his horse struggled through the swamps between the Matawin and Oskondagee Rivers, he could well appreciate the difficulties of my position. As he will doubtless remember, the road beyond the latter river, with the exception of the first two miles, was then still impassable for all descriptions of wagons.

I have thus given a general outline of the condition in which I found the road when I first landed, also upon the several dates when I subsequently inspected it, and its state now that it is about to cease being made use of by the force under my command.

Difficulties of constructing a road.

In doing so, I have no intention of imputing to anyone a want of zeal or energy in pushing it forward. Mr. Dawson, of the Public Works Department, as well as the engineers working under his orders, have been untiring in their exertions to get the road in working order. He has had to contest with great difficulties. Fires have raged twice over considerable portions of it, consuming culverts, cribwork, retaining walls, and corduroy work. Heavy rains have swamped it at other times, carrying away bridges, and rendering it impassable for days. I have at all times placed the men under my command at Mr. Dawson's disposal for employment upon the road, stationing companies anywhere he desired for this purpose. Since the 5th June there has been 5,433 days' work performed by soldiers upon the road. I have assisted him in every way in my power, carting sand for him, transporting supplies for the men from place to place, and latterly furnishing his working parties with provisions from the depôts I had formed in advance of the Matawin for the use of the troops in their final start.

Military labour performed upon the road from 27th May to 16th July:—

1st Bn. 60th ..	.. 3,804½
1st Ontario Rifles ..	.. 1,529½
2nd Quebec Rifles ..	.. 940½
Total ..	.. 6,274½

Description of road.

The road is of clay throughout. No metalling has been attempted upon it anywhere. Gravel is only to be found at a very few places, and for miles in some localities even sand is only to be obtained by carting it from a distance. At many points it was necessary to carry the road over swamps and peat mosses, where deep drains and heavy facine work were indispensable.

It crosses two considerable rivers and numerous streams, over which bridges and culverts had to be constructed. Some districts through which it passed are entirely of red clay of a most tenacious nature, which is quite impervious to water. After rain at such places it is cut up by the first ten teams that pass over it, in such a manner as to stop all traffic, and for days afterwards the wear and tear upon horses is so great that I have had more than once to stop altogether moving wagons over it. Except in the very finest weather these clay districts are destructive to draught cattle. Upon many occasions more than one-third of the horses have been on the sick list from galled shoulder, exhaustion, &c., occasioned partly by the inferior description of harness supplied by the Dominion Government, and partly by the strain of working over such heavy roads. I may here add that rain seems to be the rule and fine weather the exception in this portion of Her Majesty's dominions. It rained upon 15 days in June, and of the 16 days that are already passed in July it has rained upon eight of them. It pours at times in a manner I have seldom seen equalled even in the tropics. The only portions of the road that stand continuous traffic are those that have been corduroyed, for although they are rough and only suitable for slow draught, still they are passable in all weather.

The grades are tolerably good, as fair as could be expected, where all heavy cuttings and embankments have been avoided.

This general description of the road will convey some idea of the difficulties those responsible for its construction have had to contend with, and of those which we have had to overcome in getting our warlike material and other stores from Thunder Bay to Shebandowan Lake.

The plan which I adopted for the transport of boats and stores was as follows:—To begin with boats, 28 were sent over the road as far as the Matawin Bridge upon our first arrival, and I am now bringing up a few more in that way, as I have considered it necessary to add one boat to each brigade to increase the amount of provisions sent with it, and there is not now time to bring them up by water. Previous to our arrival here, I had been led to believe by everyone who had any previous knowledge of the country, that the only way of getting boats forward to Shebandowan Lake was by carting them over a road to that place. I was informed repeatedly that they could not be taken up the Kaministiquia river. After landing, every day's stay in the country taught me more of its geography.

Despatch of boats by river route.

Mr. McIntyre, the Hudson's Bay Company's Officer at Fort William, gave me most valuable information, and from him I learnt that it was quite feasible to send up all my boats by the river. As the general opinion of everyone connected with the Public Works Department was most decidedly against the attempt, I felt that, as a stranger to the country, I was assuming to myself a grave responsibility in making it; but already doubting the possibility of the road being finished in sufficient time to fulfil all our requirements, I considered it worth while to risk a few men and boats in determining the point. I despatched Captain Young, 60th Rifles, with his company (two Indians for each boat as guides being furnished by Mr. McIntyre) on this service. The result was a complete success. Of all those that subsequently came up the Kaministiquia route only one has been wrecked. This boat service was of great use in drilling the men to the use of boats and their management in rapid water on portages, &c., a knowledge that will be of such great importance to them hereafter. The boats were thus taken from Thunder Bay to

Shebandowan Lake by water, except for the distance of five miles, where there are such a series of heavy rapids and falls that I considered it more prudent to have them carried on wagons. Had I not been able thus to have made use of river, the departure of the Expedition would have been still much further delayed.

The stores have been transported in wagons as far as the Matawin Bridge (27 miles), and from thence by the troops in boats to Young's Landing, a point two miles further on the road (where it leaves the river), from thence they are carted to Calderon's Landing (a distance of about $4\frac{1}{2}$ miles), and again embarked in boats and taken to the Oskondagee Creek. (Between Young's Landing and Calderon's Landing there were too many portages to admit of the stores being sent by river profitably.)

From thence to Ward's Landing (5 miles) they were carted like the boats. At Ward's Landing they were again embarked and taken by the troops in flat-bottomed boats, piloted by Indians, to McNeill's Bay in the Shebandowan Lake, and there finally shipped.

It is almost needless to point out that the frequent change of conveyance from boat to wagon, and *vice versa*, has necessarily led to waste from the breakage of barrels, &c., and from the impossibility of providing cover for the stores at all places where bulk was broken. Every endeavour has been made by Mr. Dawson to meet our requirements in this respect. Storehouses of a rude nature have been erected at five points along the line of route to the lake, besides the extensive sheds and shanties constructed for a similar purpose by him at Prince Arthur's Landing.

The troops along the line of road as far as the Matawin Bridge have been almost exclusively fed upon fresh meat and bread. Bakeries were established at Prince Arthur's Landing, the Matawin Bridge, and Ward's Landing. I have never before been with any force in the field so well fed as this one has been up to the present moment. The rations good and ample.

The absence of any spirituous liquor as part of the daily issue, is marked by the excellent health and spirits of the men, and I may add by a remarkable absence of crime.

The work performed by the men up to their arrival here has been very considerable, so much so, that many companies already begin to present a ragged appearance. This work has been especially hard upon the Militia, from the fact of their having to work in thick winter trousers when the thermometer has sometimes stood over 90° in the shade. Only one pair of trousers was supplied to each man by the Department of Militia and Defence. I have made repeated application for a pair of light serge trousers per man to be given in addition to the heavy ones, and I am glad to say that they have at last arrived, and are now being distributed. Lately each militiaman was furnished with a pair of linen trousers, but they are of a most inferior description, and last only a short time. They are quite unsuited for a climate such as this one, where it rains nearly every other day.

Speaking generally, the personal equipment supplied to the Militia by the Canadian Government is much inferior to that furnished to the Regular Troops from our own Military Stores.

I beg to add that I have left at Prince Arthur's Landing a sufficient garrison to man the parapets and to work the guns mounted in the redoubt I had constructed there. It is of sufficient strength to hold out against any number of Fenians that could possibly be brought against it.

I trust that the Lieutenant-General will pardon the prolixity of this report, but I have thought it necessary to go into details for the sake of all those who have worked so hard and unremittingly towards attaining the primary object of this expedition, that is, getting it started from Shebandowan Lake properly equipped to meet all contingencies, whether of war or peace.

The Militia have vied with the Regulars in their exertions to push everything forward, and the Regulars by their good conduct and the manner in which they have worked, have set them an example that they may have been justly proud to follow.

I have, &c.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Transport of stores.

Waste occasioned by frequently breaking bulk.

Feeding the troops.

Health and morale of the troops.

Work performed by the troops. Militia provided with clothing unsuited to the work.

Inferior quality of Militia equipment.

Garrison at Prince Arthur's Landing.

No. 22.

The War Office to Lieutenant-General the Hon. James Lindsay.

Sir,

War Office, 31st August, 1870.

I AM directed by the Secretary of State for War to acquaint you that a telegram to the following effect has this day been forwarded to you:—

“Your letter of 14th August received.

“The decision to withdraw British troops from Red River Expedition is “adhered to; they must therefore return.”

I have, &c.

(Signed) EDWARD LUGARD.

Lieut.-General the Hon. James Lindsay to the Secretary of State for War.

Sir, *Head-Quarters, Montreal, 8th September, 1870.*
 REFERRING to my letter E 2,536, of 19th August, I have the honour to enclose you a copy of a Report, dated Fort Francis, 9th August, 1870, from Colonel Wolseley, respecting the arrival of part of the Red River Force at that post.

Also a copy of a telegram, dated Fort Garry, 24th August, 1870, announcing the peaceable occupation of that place and the intended return of the Regular portion of the Force.

The latter intelligence has already been communicated to you by telegraph.

Copies of both these despatches have been furnished to His Excellency the Governor-General.

I have received no further news of the movements of the Force up to this date.

I have, &c.

(Signed) JAS. LINDSAY, *Lieut.-General,*
Commanding Ontario and Quebec.

Enclosure 1 in No. 23.

Colonel G. J. Wolseley to the Military Secretary, Montreal.

Detachment Royal
 Artillery and Royal
 Engineers, 2 com-
 panies 1st Bn. 60th
 Royal Rifles, under
 command of
 Colonel Feilden.

Sir, *Fort Francis, 9th August, 1870.*
 1. I HAVE the honour to report, for the information of the Lieutenant-General Commanding in British North America, that the first detachment of this force, strength as per margin, arrived here in three brigades (17 boats in all) under Colonel Feilden, 60th Rifles, on Thursday last the 4th instant. I also arrived upon that day.

On the 5th instant, two more brigades of boats with two companies of 60th Rifles arrived. All these brigades left for Rat Portage on the same day that they arrived. I regret to say that strong winds had delayed these boats for two days on the lakes.

On the 6th and 7th the wind blew so hard from the west that no boats could get here. On Monday the 8th instant four more brigades arrived, carrying the remaining three companies of the 60th Rifles and one company of the 1st Militia. The 60th Rifles left the same day; the company of the 1st Militia landed and encamped, as it is to form the garrison of this place until the regulars return next month. The site selected for their camp is near the buildings constituting Fort Francis. It is on a grassy bank, about 35 feet above the river.

To-day (9th) another brigade of the 1st Militia arrived and went on towards the Winnipeg River.

2. I am happy to say there are no sick. I never saw the men looking healthier or in better spirits.

3. The hard work they have undergone has, without doubt, improved their physique, but it has been ruination to their clothing; the rowing has worn out their trousers, and the "portaging" has destroyed their boots.

4. I have given strict orders to all brigades descending Rainy River to be most careful in avoiding the United States territory.

5. I have instructed Colonel Feilden to be cautious in approaching Rat Portage, lest any armed resistance should be attempted by the rebel French half-breeds from Fort Garry. He will send forward a light boat, well armed, having Lieutenant Butler of the 69th Regiment on board (who has lately come from thence) for the purpose of reconnoitring, keeping the rest of his men at a distance from the place until all is reported quiet there. I have considered these precautions necessary, as I have been reliably informed that some of Riel's followers have been lately seen several times in that vicinity.

6. As the Government of Ottawa was unable to furnish me with any important information regarding the position of affairs in Manitoba, the arrival of Lieutenant Butler on the day that I came here, bringing news direct from Red River Settlement up to 24th July, was most opportune. The greater part of the news that reaches Canada comes from rebel sources, or is percolated through sympathizing channels. The information derived from a British officer who was an uninterested observer, uninfluenced by party or sectional feelings, was therefore of the greatest value to me when arranging for my advance beyond this place. As it was possible that Lieutenant Butler might have failed in getting through to meet me, I had made arrangements for a loyal half-breed, named "Joseph Monkman" to leave the Red River Settlement upon the latest date that he could possibly do so, so as to meet me here at the end of July. He faithfully fulfilled his mission, bringing me letters from the Bishop of Rupert's Land of the 18th July, and others from Henry Prince, the chief of the Swampy Indians, also bringing valuable information regarding supplies of fresh meat, which I wish to secure immediately as I reach the settlement.

7. The day I arrived here I sent you the letters I have received detailing the condition of affairs in the Red River Settlement, and I also sent you a report from Lieutenant Butler giving an account of his journey and experience at Fort Garry.

8. With the 60th Rifles' boats which have arrived up to this present time, there have been 120 voyageurs, 12 of whom have proved worthless, I have therefore sent them back from this place.

In other words, although a selection was made from the number of men engaged as voyageurs, in order to obtain those who really knew how to manage boats in rapid water, yet one-tenth of those selected have been reported to me as useless. I have fortunately been able to supply their places here with good Indians.

9. Lieutenant Butler also brought me six good guides for the Winnipeg River, and Mr. Monkman brought me two, Henry Prince also sent me two, and I am in hopes of being able to obtain several more at Rat Portage. According to the last news from Red River, the loyal people, who are most anxious for the arrival of the troops, were getting up a subscription to defray the expense of sending six or eight boats to assist us in getting down the Winnipeg. As they were to be manned by experienced guides, I am looking forward to their help most anxiously.

I intend leaving this to-morrow myself, and unless detained by contrary winds on the lake, I hope to be at Rat Portage in three days.

I have &c.
(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Enclosure 2 in No. 23.

Telegram dated Fort Garry 24th, via St. Cloud, 31st.

To Lieutenant-General Lindsay,

REACHED Stone Fort at eight on the morning of yesterday, 23rd of August, with 60th Rifles and detachment of Artillery and Engineers all well. Halted late in evening about six miles by road and nine by river from this place. Received certain information that armed rebels still hold Fort Garry. Our arrival was unexpected, as Bishop Taché had assured Riel that we should not come here until the Governor had arrived. I took measures for preventing the news of our arrival preceding us. It rained heavily last night; landed early at Point Douglas this forenoon, and marched about two miles to this place. Upon reaching the village inhabitants said that Riel was still in the fort and intended resistance. Could see guns mounted on the bastion and on gateway; advanced with all due precaution, and found that Riel and his handitti had just left; some of his counsellors escaping were arrested by our skirmishers, but have since been released; large stores of ammunition, numerous loaded muskets, and several field pieces found. Have been welcomed by the inhabitants as their deliverer from the opposition and plunder to which they have been subjected for months past.

No difficulty about supplies. Barrack accommodation small, and may have to billet one-third of troops, as logs and timber are very scarce. Brigades of volunteers to-morrow, others following. First detachment of 100 men of 60th leave by Winnipeg River on 29th August. All the regulars will have left by same route by 1st of September. If you wish to send me any orders telegraph to N. S. Kittson, who will send me the message by bearer of this; he will wait 24 hours for answer.

(Signed) G. J. WOLSELEY, Colonel.

No. 24.

Lieut.-General the Hon. James Lindsay to the Secretary of State for War.

Sir, *Head-Quarters, Montreal, 9th September, 1870.*

REFERRING to my letter E 2,553, of 8th September, 1870, enclosing a Report and Telegram from Colonel Wolseley, I have now the honour to enclose copies of two further Telegrams from Colonel Wolseley, dated Fort Garry, 29th August, which have been received this day.

Also of a letter from him, dated Fort Garry, 24th August, reporting in detail his occupation of that post.

I have, &c.
(Signed) JAS. LINDSAY, Lieut.-General,
Commanding Ontario and Quebec.

Enclosure 1 in No. 24.

Received Montreal, 8th September, 1870, by Telegraph from Fort Garry, August 29th, St. Paul's, Minnesota.

Lieutenant-Governor
Archibald left
Collingwood for
Prince Arthur's
Landing and Fort
Garry on 10th Aug.
1870.

To General Lindsay,

FIRST detachment of two companies 60th Rifles left to-day, *viâ* the Winnipeg River, another Company leaves by same route to-morrow, and another by Snow's Path and north-west corner of Lake of the Woods. Nothing yet heard of Governor's whereabouts; everything perfectly quiet and orderly. The rebel ring-leaders have bolted across the frontier. I see no reason whatever to apprehend difficulties requiring military interference. Orders sent by express to-day to Prince Arthur's Landing desiring the company there to come here. If arrangements can be made for their conveyance, and provided no orders are received from you to the contrary, they can come *viâ* North-West Corner and Lake of the Woods. Please send them instructions at once upon receipt of this to prevent complication. Four companies of Militia have arrived to date. Health of every one is excellent. Some official of P. W. works should come here at once to look after construction of barracks. Mr. Dawson not yet arrived. I expect him daily. Could not instructions be sent to him by telegraph to do so?

(Signed) G. J. WOLSELEY, Colonel.

Received Montreal, 8th September, 1870, by telegraph from Fort Garry, August 29th, viâ St. Paul's, 8th.

To General Lindsay,

YOUR letter of 3rd August just received; everything perfectly quiet and orderly. I know of no good reason why any regulars should remain here; unless I receive positive orders to the contrary I shall send all back.

(Signed) G. J. WOLSELEY, Colonel

Enclosure 2 in No. 24.

Colonel G. J. Wolseley to the Military Secretary, Montreal.

Sir,

Fort Garry, August 24th, 1870.

I HAVE the honour to report, for the information of the Lieutenant-General Commanding in British North America, that I left "Fort Alexander," at the mouth of the Winnipeg River, at 3 P.M. on the 31st August with the whole of the Regular Troops of the Force under my command. I waited half a day at Fort Alexander, hoping to be joined by two companies of the Volunteers, but as they did not arrive I proceeded without them.

I encamped that night on "Elk Island" in Lake Winnipeg, about 18 miles from Fort Alexander, and the next day sailed with a fair wind and reached the north of the Red River at 1 P.M. the 22nd instant, encamping that night on the right bank of the river about 11 miles below the "Stone Fort," or "Lower Fort Garry," as it is sometimes called. We were welcomed by the Saulten Indians who live in the vicinity, and who had no idea of our arrival in the river until they saw our boats.

I took every precaution to prevent the news of our approach from spreading up the river.

On the morning of the 23rd we started at daybreak and reached the Stone Fort at 8 A.M. Here I left a considerable portion of our heavy stores, lightening the boats as much as possible, and taking on only 4 days' rations. After leaving the Stone Fort I threw out a company of the 60th as skirmishers on my right flank, the left bank of the river. This company was mounted on ponies, and kept ahead of the boats about 500 yards, the main body being on the road with an advanced party some little distance ahead, and connecting files to the river's bank, which is at times half a mile or more from the road; they had orders not to allow any person to pass them going up the river, but not to interfere with persons proceeding down the river.

Along the right bank, which was thickly wooded and but very sparsely peopled, I sent Lieutenant Butler, 69th Regiment, on horseback with orders to keep a little ahead and communicate with me at intervals.

I also had two signalmen with flags with the company on my right flank, one with the advanced guard of that company, and the other with the main body, whose services were of much use in keeping up communication between the skirmishers and the boats. At night-fall I encamped on the left bank about two miles below the English cathedral, and six below Fort Garry, and threw out outlying piquets under officers on each side of the river.

My intention had been to have marched by land with the first break of day on the fort, which was still held by Riel and an armed band of rebels whose number varied with each report that reached me, but during the night a heavy storm of wind and rain from the north-west came on, and by morning the road was ankle-deep in black gluey mud. I therefore continued my advance this morning in the boats with the same precautions as on the previous day, but sending Lieutenant Denison, one of my orderly officers, to the right bank in addition to Lieutenant Butler.

About 8 A.M. I reached "Point Douglas," about 2 miles from the fort. At this point the river makes a long bend, and the wood leads straight through the village of Winnipeg to the fort; I therefore disembarked and formed up on the left bank.

Receiving accurate information that Riel was still in the fort, and (report said) contemplating resistance, I advanced across the open prairie the column covered by a line of skirmishers; the guns being limbered up to the rear of the country carts, having a company of the 60th as a rear-guard 200 yards in rear. In this order I advanced crossing a bridge over a small creek, and passing round the village of Winnipeg (which I kept on my left flank, my right resting on the Assiniboine River), I moved straight on the fort; I was accompanied by about half a dozen of the loyal inhabitants mounted on horseback, who afforded me all the assistance in their power acting as scouts and guides.

On nearing the fort I could see that the gates were closed, and guns mounted on the bastions, but no flag was flying. Some of the mounted inhabitants who accompanied me then galloped towards the fort, followed by three of my staff, and making a complete circle round it, returned and reported that the gate opening on the Assiniboine River was open and nobody to be seen inside.

I then marched into the fort, which I found empty, having been deserted by Riel and his associates as soon as they saw me approaching; they had evidently made off in great haste, leaving their breakfast on the table half finished, and riding off as fast as they could. Riel crossed the Assiniboine River and escaped, but three of his Counsellors, attempting to pass up the left bank of that river, were stopped by my skirmishers and captured. These men were released during the day, there being no warrant out against them, or any sworn information by which I could detain them, although I knew that one of them had sat on the mock Court-Martial that tried and condemned Mr. Scott.

The Union Jack was then hoisted over the fort, a Royal Salute fired, and three cheers given for the Queen, which were caught up and heartily repeated by numbers of the inhabitants who had followed the troops from the village. I then got the men housed in the Hudson's Bay Company's buildings inside the fort; they were thoroughly drenched to the skin, the rain having poured down incessantly all day.

In conclusion I have only to add that the advent of the troops has been hailed with the greatest delight all along the river by the loyal people of all colours, who have afforded me every assistance in their power.

The conduct of the troops has been most exemplary throughout this arduous journey, and merits my warmest commendation.

I have, &c.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

No. 25.

The Colonial Office to the Under Secretary of State for War.

Sir,

Downing Street, 26th September, 1870.

I AM directed by the Earl of Kimberley to transmit to you, for the information of Mr. Secretary Cardwell, a copy of a despatch from the Governor-General of Canada, enclosing a telegram from Colonel Wolseley, announcing the arrival at Fort Garry on the 24th ultimo of the Expedition under his Command. *See Enclosure 2 in No. 28.*

I am, &c.

(Signed) FREDERIC ROGERS.

Enclosure in No. 25.

Governor-General Sir J. Young to Lord Kimberley.

My Lord,

Quebec, 2nd September, 1870.

IN the telegram which I forwarded to your Lordship yesterday, I had the satisfaction of announcing the safe arrival of Colonel Wolseley, with the Regular Forces under his command, at Fort Garry.

2. My telegram to your Lordship was based on a telegram from Colonel Wolseley to General Lindsay, which the General at once sent on to me, and of which I beg to enclose a copy. This is all the information which we have as yet received, but it is most satisfactory to be assured of the safe arrival of the Expedition, which under the able command of Colonel Wolseley has surmounted no ordinary difficulties in the new unformed track between Lakes Superior and Shebandowan, the long and toilsome boat navigation and the labours (cheerfully encountered both by officers and men) of the frequent portages.

3. The welcome with which the Expedition seems to have been generally received, raises good hopes for the future, which I trust the new Lieutenant-Governor, Mr. Archibald, will be able to realize. He cannot be very far behind the Expedition, and, unless delayed by some unforeseen accident would certainly have reached Fort Garry before the end of August; he counted upon arriving on or about the 26th of that month.

I have, &c.

(Signed) JOHN YOUNG.

Lieut.-General the Hon. James Lindsay to the Secretary of State for War.

Sir, *S.S. "Scandinavian," 11th October, 1870.*

REFERRING to my letter of the 9th September, forwarding a copy of Colonel Wolseley's report of the 24th August, detailing the circumstances attendant on his entering Fort Garry, I have now the honour to enclose you a copy of his final report upon the Red River Expedition, dated 26th September, and marked A.

I had instructed Colonel Wolseley, after he had assisted the Militia Officers in making arrangements for feeding and lodging the force left at Red River for the winter, to resign his command into the hands of the Senior Canadian Officer, and to return to Canada. As he overtook the companies of the 60th Rifles on their return route, he was to give over charge to Colonel Fielden, and to join at Montreal in order that he might embark with me and the Head-Quarter Staff for England in this vessel on the 1st October, 1870.

This plan was perfectly carried out. Colonel Wolseley is on board with me, and all the 60th will have reached Ontario, I hope, before this.

Colonel Wolseley, in his report, recalls with proper pride the difficulties of his enterprize, and the discipline and endurance of the troops, Imperial and Canadian, which enabled him to surmount them.

As to the physical difficulties of the route, they can only be thoroughly understood by reference to the very full and valuable diary kept by Colonel Wolseley, and which is now in the hands of the Quartermaster-General, Horse Guards. The opinion formed of them by the Hon. Mr. Archibald, Lieutenant-Governor of Manitobah, who followed in Colonel Wolseley's track, will be seen from the enclosure B. I can also bear testimony to the difficulties of the route, having personally witnessed them when I inspected the road from Lake Superior to Shebandowan, and met the boats passing up the Kaministiquia early in July.

But other difficulties surrounded the Expedition, and distinguished it from its predecessors. These arose—

From its size, as compared with Colonel Crofton's and Major Seton's forces, and its mixed character;

From the necessity of taking over, and adopting, arrangements made by the Public Works and Militia Departments of Canada before any Military authority had been consulted;

From the opening out of a permanent communication with the North-West being mixed up with the progress of the Expedition;

And, lastly, from the possibility of opposition either from Fenian or other American sympathizers, or from our own people, whether settlers or Indians. This latter consideration, joined to apprehensions as to supplies of food in consequence of the disturbed state of the settlement, necessitated an advance with every precaution, and with three months' supplies and good reserves of ammunition.

All these difficulties have been surmounted by Colonel Wolseley and his Force.

I join with him in laying much stress upon the advantages to health and discipline resulting from the non-issue of a spirit ration, and I trust that its days are numbered in the British Army; but I attribute the good temper and endurance of the troops to the example of their Officers.

The mainspring of the whole movement was the Commander, Colonel Wolseley, who has shown throughout great professional ability. He has the faculty of organization, and resource in difficulty. He has served in many campaigns with distinction, and in this Expedition he has shown great aptitude for command.

It was entirely owing to him that, when the impossibility of using the road to Lake Shebandowan for the transport of boats became apparent, they were sent up the Kaministiquia, a route that had been pronounced impracticable for them. Had not this step been taken, the Regulars certainly could not have returned this season.

During the actual advance along the canoe route, Colonel Wolseley was in constant movement, sometimes in front, marking out the roads across the portages; sometimes in rear, organizing and superintending the brigade of boats.

His advance upon Fort Garry itself was conducted with skill and prudence.

On arrival there, he found himself in a country in a state of violent political excitement and discord, and without any civil government; and where his Force was the only representative of law and order, owing to the delay in the Lieutenant-Governor's arrival. His proceedings on this occasion, in desiring the Chief of the Hudson's Bay Company to assume the Government, and in abstaining from all interference with civil affairs himself, seem to me to have been eminently judicious.

I hardly think it possible to overrate the advantage Her Majesty's Government and Canada have derived from the employment upon this delicate as well as arduous service of an officer of Colonel Wolseley's attainments, character, and discretion. I have esteemed myself very fortunate in having such an instrument in my hand to carry out your orders with respect to the Red River Expedition.

I therefore confidently recommend Colonel Wolseley to the gracious favour of Her Majesty.

Colonel Wolseley bears testimony to the admirable conduct in all respects of the whole force, and he also brings to notice several of the officers who served most prominently under him, and who assisted him with their cordial support.

Colonel Fielden, Commanding 1st Battalion 60th Rifles, is an excellent officer. He was actively employed from the first in assisting to get the Militia Battalions into order, for which duty the highly efficient state of his own battalion showed that he was markedly qualified. He commanded the leading brigades in their advance, and throughout showed all the qualities of a good soldier. He was second in command.

The Governor-General kindly placed the services of his Military Secretary, Lieutenant-Colonel McNeill, at my disposal, and I gladly accepted them, as I was in want of energetic Field Officers. Lieutenant-Colonel McNeill was extremely useful to Colonel Wolseley, and is an excellent Staff Officer.

Brevet Lieutenant-Colonel Bolton, R.A., was the Deputy-Assistant Adjutant-General of the Force, and he was much employed on detached duties. His position at the Sault St. Marie at the outset of the Expedition was most difficult and responsible. In his absence Captain Huyshe, Rifle Brigade, Orderly Officer, satisfactorily performed the staff duties near Colonel Wolseley.

Colonel Wolseley also expresses his obligations to the Militia Staff Officers attached to him, Major McLeod and Lieutenant Denison.

You will be gratified to observe the tribute Colonel Wolseley pays to the Control system, as it worked upon this Expedition, under the able direction of Assistant Controller Irvine.

The medical duties were satisfactorily regulated by Surgeon-Major Young, 60th Rifles, as Principal Medical Officer.

Amidst the stirring military and political events now taking place in Europe, the happy solution of the Red River difficulty, without bloodshed or political entanglements, may attract less attention than it deserves; but I know that the merits of the officers and soldiers who took part in the Expedition will meet with due recognition from you, to whom the importance of the service rendered is known, and before whom all the details of the operation have now been laid.

I have, &c.

(Signed) JAS. LINDSAY, *Lieut.-General*.

Enclosure 1 in No. 26.

A.

Colonel G. J. Wolseley to the Military Secretary, Montreal.

Sir,

S. S. "Chicora," September 26th, 1870.

IN continuation of my previous reports upon the progress of the Red River Expeditionary Force, I have the honour to state that the Regular Troops embarked at Fort Garry upon their return journey by detachments between the 29th August and the 3rd September, with the exception of one Company of the 60th Rifles, which I was enabled to send by land to the north-west corner of the Lake of the Woods, where it embarked on the 11th instant.

Immediately upon receiving your instructions directing me to return as quickly as possible to Canada, I made arrangements for doing so, and having left Fort Garry on the 10th, I reached Prince Arthur's Landing on the 22nd September.

All the troops except one Company of the 60th, and the Detachments of Royal Artillery and Royal Engineers, had reached Rainy River by the 15th instant, having safely ascended the dangerous rapids of the Winnipeg River. Judging from the time that the several companies took in going from Red River to Rât Portage, I have every reason for supposing that the last brigade of boats will have reached Lake Shebandowan by the end of this month.

I made all the necessary arrangements for the embarkation of the Regulars at Prince Arthur's landing before I left that place on the 24th instant.

The objects of the Expedition have been successfully accomplished without loss of life, and I take the liberty of again bringing to your notice the admirable conduct of the troops engaged in it. I have no hesitation in saying that the excessive labour so cheerfully endured and so equally shared in by all ranks, has never been surpassed in any previous military expedition.

The Regular Troops and Militia vied with one another in their enthusiastic anxiety to push forward, each being mutually determined that neither should out-do the other. This praiseworthy rivalry enabled them to make the entire distance of over 600 miles in about $7\frac{1}{2}$ weeks, carrying with them their provisions for 60 days, two 7-pounder guns with their equipment, a large amount of ammunition and hospital and other stores, all of which had to be carried on their backs over 47 portages, making a total distance of more than 7 miles. Where Officers see such an example in carrying heavy loads, their men as might be expected, imitated them unhesitatingly.

It must not be forgotten that Shebandowan Lake, where the force finally embarked, is over 800 feet above the level of Lake Superior, and that with the exception of a few boats transported on wagons, all had to be dragged up that height by manual labour over the portages of the Kaministiquia River; this will convey an idea of the work performed at the outset of the Expedition.

From the 25th May (when the first detachment disembarked at Prince Arthur's Landing) to the 16th July (when the 1st brigade of boats made their final start for Fort Garry) the men were constantly employed in landing stores, road-making, and getting their boats up to Shebandowan Lake. During that time they also constructed a strong square redoubt for the protection of the storehouses, &c., at their base of operations, Prince Arthur's Landing. During the 13 weeks which elapsed between the disembarkation at that post, and our marching into Fort Garry, it rained upon 45 days, and upon many occasions every one was wet for days together. Notwithstanding the magnitude of the labour, the exposure to inclement weather, and the great annoyance from mosquitoes thus endured, there was not throughout the whole of this arduous operation the least murmur of discontent heard from any one. From first to last there was a total absence of crime, and I may add of sickness also. Never has any body of men on active service been more cheerful or more healthy.

This has been one of the few military expeditions where spirits have formed no part of the daily ration, and where no intoxicating liquor was obtainable. I consider that the above-mentioned happy results are in a great measure to be attributed to this fact. A large ration of tea was issued instead, and I found that the men worked better upon it than I have ever seen soldiers do upon any previous occasions where rum formed part of their daily allowance.

The duties in connection with this Expedition have been of a most peculiar nature. During our advance the force was necessarily divided into numerous detachments. No roads of any description existed in the country by means of which communication could be maintained between them. The modern inventions of steam, and the electric telegraph, &c., &c., which in these days play such a prominent part in war, could not be brought to assist us. We were launched out into a desert of trees and water, carrying everything we required with us, unable even to avail ourselves of the assistance of horses, or other draught cattle.

Once cut adrift from our base at Prince Arthur's Landing, until we had forced our way through the 600 miles of forests that separated us from the inhabited country at the Red River, we were beyond the reach of all assistance from the outside world, and had to rely upon our own exertions solely to carry us through. Except that we were armed with superior weapons, the Expedition might have been one of classic times, so primitive was our mode of progression, and so little assisted were we by modern appliances.

I beg to record my appreciation of the assistance I have received throughout from Colonel Fielden, commanding the 1st Battalion 60th Rifles. Previous to starting from Canada he was detailed to superintend the organization of the two Battalions of Militia then being raised for this service, a duty he performed to my entire satisfaction. He subsequently commanded the three leading brigades during the advance to Fort Garry. Upon them fell the arduous task of cutting out the roads across the portages, and fitting them with rollers to enable the boats to be dragged safely over them. This was done most efficiently under his supervision. I consider him to be one of the very best Regimental Officers I have ever known, and the admirable order existing in his battalion bears witness to his ability.

The services of Lieutenant-Colonel McNeill, Military Secretary to the Governor-General, having been placed at my disposal, I gave him at first the general superintendence of the embarkation at Shebandowan Lake. It was a duty requiring great good temper, judgment, and nice arrangement. It was most successfully carried out, notwithstanding the many difficulties he had to contend with. He proved himself throughout to be an able and energetic Staff Officer, and I consider myself most fortunate in having had him with me.

Lieutenant-Colonel Bolton, Royal Artillery, who was my Deputy-Assistant Adjutant-General, superintended the transit of the force over the road at the Sault St. Marie, between Lakes Huron and Superior. I always found him most anxious and energetic in the performance of his duties. As the entire force was seldom concentrated, I was obliged to employ Lieutenant-Colonel Bolton upon detached duty throughout nearly the whole operation, it being essential to have Regular Officers of his rank at several points. During his absence the duties of Deputy-Assistant Adjutant-General were well carried out by Captain Huyshe, Rifle Brigade, one of my Orderly Officers.

My other Orderly Officer was Lieutenant Denison, of the Canadian Militia, who is a most promising and zealous soldier.

Upon leaving Fort Garry, I handed over command to the Senior Officer of the Militia, leaving Major MacLeod, of the Canadian Militia, as Brigade Major to the Force remaining there; from what I have seen of him I consider him to be admirably qualified for the position, and to be one of the best of the Militia Officers belonging to the Expeditionary Force.

As regards the civil administration, I have to remark that the amalgamation of the many Civil Departments into one, that of the Control, was put upon its first practical trial in the field during this Expedition, with the happiest results. I found that having all the Civil Officers available for any sort of duty connected with administration was a great economy of labour, and enabled the duties to be performed by a much smaller number than could have been done formerly, when, under similar circumstances, it would have been necessary to have had an Officer of each department present at every post, and perhaps with each detachment of troops. A vast amount of useless correspondence is saved by the new system, and the administrative labour that must always more or less devolve upon an Officer Commanding a mixed force in the field, is greatly reduced, and his work facilitated thereby, giving him more time to attend to his important military duties. I was most fortunate in having such an able and energetic officer as Assistant Controller Irvine at the head of the administrative affairs of the Force. His arrangements throughout were admirable, and I can confidently say that no body of fighting men on service were ever better fed, or their wants better provided for, than were those comprising the Red River Force. When it is remembered that 150 miles intervened between the advanced and rear guards upon first starting from Shebandowan Lake, and that we were without the invaluable aid of telegraphic communication, the difficulties of the administrative duties may be partially appreciated. The numerous difficulties of providing for the wants of a force proceeding through such an extensive wilderness, under such circumstances, where there were no supplies of any description to be obtained, were overcome by Mr. Irvine's admirable arrangements.

Surgeon-Major Young, 60th Rifles, my Principal Medical Officer, made the fullest arrangements for the care of the sick and *wounded* (had there been any), and his exertions in that department gave me entire satisfaction.

I have never before been employed upon any duty in the field, where, owing to the peculiar nature of the service, and the work to be accomplished, the ultimate success depended so entirely upon the zeal and ability of the Company Officers. To all of them I am deeply indebted for the manner in which they carried out my orders.

In conclusion, I take the liberty of thanking the Lieutenant-General Commanding for the manner in which he forestalled our wants, and acceded to every application I made to him. It was the consciousness of having him behind me that made me throughout so sanguine of success.

I have, &c.
(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Forces.

Enclosure 2 in No. 26.

B.

Mr. Archibald to Colonel Wolseley.

Dear Colonel Wolseley, *Indian Mission, Red River, September 2nd, 1870.*

I TAKE the earliest opportunity in my power to congratulate you on the magnificent success of the Expedition under your command.

I can judge of the work you have had to do all the better from having seen for myself the physical obstacles that had to be met and overcome, obstacles which, I assure you, exceed anything I could have imagined.

It is impossible not to feel that the men who have so triumphed over such difficulties must not only have themselves worked well, but also must have been well led, and I should not be doing justice to my own feelings if I were not, on my arrival here, to repeat the expressions of admiration extorted from me, as I passed along in view of the difficulties you had to meet, and what you had so triumphantly surmounted.

I have, &c.
(Signed) A. G. ARCHIBALD.

No. 27.

Major-General the Hon. James Lindsay to the Secretary of State for War.

Sir,

War Office, October 18th, 1870.

I HAVE the honour to acquaint you that I have received information by cable telegram, that the whole of the companies of the 1st Battalion 60th Rifles, and the detachments of Royal Artillery, Royal Engineers, Army Service Corps, and Army Hospital Corps, employed on the Expedition to Red River, had arrived in Montreal by Friday, the 14th instant.

One man was left at Fort Garry with inflammation of the lungs; with that exception, the Regular Force returned to Canada with no sick, and with no casualty by drowning, or of any other description.

I have, &c.

(Signed)

JAS. LINDSAY, *Major-General,*
late Lieut.-Gen. Commanding in Canada.

No. 28.

The Colonial Office to the Under Secretary of State for War.

Sir,

Downing Street, 27th October, 1870.

I AM directed by the Earl of Kimberley to transmit to you, for the information of Mr. Secretary Cardwell, a copy of a despatch from the Governor-General of Canada, enclosing copies of reports from his Military Secretary, Lieutenant Colonel McNeill, respecting the progress of the Red River Expedition.

I am to state that another despatch has been received from the Governor-General, dated the 13th September, enclosing the documents of which a list is annexed, relating to the same subject. Lord Kimberley presumes that the reports from Colonel Wolseley, enclosed in Colonel Earle's letters to the Governor's Military Secretary, have been received at the War Office, and he therefore thinks it unnecessary to enclose copies, but they will be forwarded if Mr. Cardwell should desire it.

I am desired to take this opportunity of enclosing a copy of a despatch which Lord Kimberley has addressed to the Governor-General, congratulating Colonel Wolseley on the successful result of the Expedition.

I am, &c.

(Signed)

FREDERIC ROGERS.

Enclosure 1 in No. 28.

Sir John Young to the Earl of Kimberley.

My Lord,

Quebec, Canada, 13th September, 1870.

REFERRING to previous despatches, I have the honor to transmit herewith copies of further reports from my Military Secretary, Lieutenant-Colonel McNeill, V.C., announcing the arrival of the Red River Expedition at Fort Alexander on the 20th, and at Fort Garry on the 24th of August.

I have, &c.

(Signed)

JOHN YOUNG.

Lieut.-Colonel McNeill to the Governor-General.

Sir,

Fort Garry, 24th August, 1870.

I HAVE the honor to report that Fort Garry was occupied by the regular troops under Colonel Wolseley at 10 o'clock this morning, without opposition.

Riel and his followers abandoned the place only a few minutes previous to our arrival. From the number of loaded muskets found in various parts of the buildings, and from the disposition of the guns, it was evident that almost up to the last they had determined to resist.

The troops at present occupy the buildings of the Hudson's Bay Company inside the Fort.

I have, &c.

(Signed)

J. C. McNEILL, *Lieut.-Colonel,*
Military Secretary.

Lieut.-Colonel McNeill to the Governor-General.

Sir, *Fort Alexander, Mouth of Winnipeg River, 21st August, 1870.*
 I HAVE the honor to report that I reached this place with Colonel Wolseley last night.

Detachments of Royal Artillery and Royal Engineers had arrived on the 18th, and the last company of regular troops came in shortly after Colonel Wolseley.

No accident of any sort had occurred, and the men are all in capital health.

Colonel Wolseley has ordered the Force to start for Fort Garry at 3 p.m. to-day, so that we shall probably reach that place on Tuesday morning, the 23rd.

The brigades of the Militia regiments are close behind, so that the Regulars will be able to start on their return journey after a short rest in the settlement; and as it is reported that the road from Fort Garry to the north-west angle of the lake of the woods has been made passable, it is probable that the troops will return by that route, their boats being conveyed up the Winnipeg river by voyageurs, the men thus being saved much severe labour.

The latest accounts from Fort Garry lead to the belief that Riel's adherents are deserting him, but also declare that they will not permit him to leave the settlement.

It is said that a meeting was held the other day, at which some 600 armed men were present to decide whether any opposition should be offered to the troops, but that nothing was decided on.

On arrival at Fort Garry I will report to your Excellency the position of affairs there.

I have, &c.

(Signed) J. C. McNEILL, *Lieut.-Colonel,*
Military Secretary.

Enclosure 2 in No. 28.

List of Enclosures in despatch from Governor-General of Canada to the Earl of Kimberley, dated Quebec, 13th September, 1870. No. 206.

LETTER from the Military Secretary to the Lieutenant-General Commanding in Ontario and Quebec to the Governor-General's Military Secretary, dated Montreal, 8th September, 1870.

LETTER from Colonel Wolseley to the Military Secretary, Montreal, dated Fort Francis, 9th August, 1870.

LETTER from the Military Secretary to the Lieutenant-General Commanding in Ontario and Quebec to the Military Secretary to the Governor-General, dated Montreal, 9th September, 1870, enclosing telegrams.

LETTER from Colonel Wolseley to the Military Secretary, Montreal, dated Fort Garry, 24th August, 1870.

Enclosure 3 in No. 28.

The Earl of Kimberley to Sir John Young.

Sir, *Downing Street, 14th October, 1870.*

I HAVE the honor to acknowledge the receipt of your despatches No. 197 of the 1st of September and Nos. 206 and 207 of the 13th of that month, enclosing, with other documents relating to the progress of the Red River Expedition, advices from Colonel Wolseley announcing his arrival at Fort Garry on the 24th of August.

I have perused with much interest Colonel Wolseley's clear and satisfactory account of the arrival of the Expedition. His despatches do not state to what subordinate officers credit is due for its successful prosecution, but I observe with pleasure that the conduct of the soldiers has been exemplary; and I am fully aware, that an operation which, before its commencement was alleged by competent authority to be beset with almost insuperable difficulties, could not have been thus accomplished without drawback and disaster, except by the forethought, energy, and vigilance of the Commanding Officer. Her Majesty's Government have pleasure in ascribing the results of this Expedition, the flight of Riel and his associates which, under the circumstances may be regarded as opportune, the relief of the orderly inhabitants from the state of apprehension in which they lived, and the restoration of confidence and prosperity, which will no doubt ensue, to the prudence, vigour and steadiness with which the directions of the Government have been executed both by Colonel Wolseley and the officers and soldiers whether of the Imperial or Canadian forces who have acted under his orders.

I have, &c.

(Signed) KIMBERLEY.

APPENDIX.

OFFICIAL Journal of the Red River Expedition.

*Wednesday,
May 4th, 1870.*

Departure from
Montreal to Toronto.

IN accordance with General Order of the 3rd May, 1870, Colonel Wolseley, commanding the Red River Expeditionary Force, accompanied by Lieutenant-Colonel Bolton, Royal Artillery, Deputy-Assistant Adjutant-General to the Expedition; Assistant Controller M. B. Irvine, in subcharge of the Expedition; and Captain Huyshe, Rifle Brigade, Orderly Officer to Colonel Wolseley, left Montreal by the 8:30 A.M. train for Toronto. They were accompanied by Lieutenant-General the Honourable J. Lindsay, his Aide-de-Camp Captain FitzGeorge, of the 23rd Regiment, and Lieutenant-Colonel Martindale, R. E., Deputy Controller. The Manager of the R. R. C., Mr. Cumberland, kindly furnished his own car for the use of the party.

*Thursday,
May 5th, 1870.*
Journey to Collingwood and back.

Arrived at Toronto at 3 A.M., and proceeded to Collingwood by special train at 9 A.M., accompanied by Mr. Cumberland and Mr. S. I. Dawson. Reached Collingwood at 1:30 P.M. Inspected the side-wheel steamer "Francis Smith," which was found to be a very fine boat, capable of accommodating 250 men and 40 horses. Then inspected the "Chicora," a very fast boat,* fitted up for passenger traffic, but large enough for 210 men and 24 horses if the ladies' cabin were appropriated. Returned to Toronto at 8 P.M. with the Captains and agents of these vessels, and of the "Algoma" also. A tariff on reasonable rates was arranged with them by Mr. Cumberland and Colonel Martindale, and the result was telegraphed to Ottawa; but an answer was received next day from the Dominion Government to "hold on," and make no arrangements, as the Honourable Mr. Campbell, the Postmaster-General, would undertake that duty.

*Friday, May 6th, to
Thursday, May 12th,
1870.*

Busily engaged at Toronto in organizing the Expedition, getting everything in order, selecting horses from K Battery Royal Artillery (of which 65 were taken), and completing the two battalions of Militia.

The 1st Regiment was soon completed, but the 2nd, or Quebec, Battalion could not fill its ranks, volunteering to it from the other Military Districts not being allowed. This Battalion was still 90 men short when Colonel Wolseley left Toronto, on the 21st instant.

*Friday,
May 13th, 1870.*
Departure of Lieut.-Colonel Bolton for the Sault.

Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General, left Toronto by the 8:30 A.M. train for Collingwood, to superintend the putting up of fittings for horses on board the "Chicora" (these fittings are of the simplest description, and are fully described in the R. R. Book), and to proceed in her next day to the Sault St. Marie, there to remain in command. During his absence his duties devolved on Captain Huyshe.

*Saturday,
May 14th, 1870.*
Departure of two companies 1st Ontario Rifles for the Sault.

At noon, two companies (Nos. 1 and 4) of the 1st Ontario Rifles, under command of Captain Cook, left Toronto by train for Collingwood, where they embarked on board the "Chicora,"—together with 24 horses, a supply of stores, camp equipment, boats, &c.,—and sailed at 9 P.M. for the Sault, under command of Colonel Bolton.

Owing to telegraphic information from Ottawa respecting Fenian intentions, two more companies were ordered to proceed on Monday next, and a letter was written to Colonel Bolton (*vide* Confidential Letter Book, page 10).

*Monday,
May 16th, 1870.*
Departure of two companies Ontario Rifles for the Sault.

At 7 A.M., two companies (Nos. 2 and 3) of the 1st Ontario Rifles proceeded by train to Collingwood, under command of Major Wainwright, and embarked in the "Wanbuno," for the Sault. Surgeon Codd, 1st Rifles, proceeded in medical charge, to remain at the Sault. A proportion of camp equipment, stores, &c., was sent with this detachment.

*Saturday,
May 21st, 1870.*
One company 1st Battalion 60th Rifles from Toronto for Thunder Bay. Colonel Wolseley and Staff ditto.

At 7 A.M., one company (G) of the 1st Battalion 60th Rifles under Captain Ward, proceeded by train to Collingwood, and embarked in the "Chicora" for Thunder Bay; 64 horses left Toronto at the same time, 24 of which with teamsters, 15 boats, about 75 voyageurs, stores, and camp equipment, were embarked in the "Chicora." Colonel Wolseley, Assistant Controller Irvine, Captain Huyshe, Lieutenant Denison, Doctor Young, 1st Battalion 60th Rifles, Principal Medical Officer to the Force, and Assistant Surgeon Robertson, Royal Canadian Rifles, in medical charge, accompanied this detachment.

The detachments of Royal Artillery under Lieutenant Alleyne, and Royal Engineers under Lieutenant Heneage, expected to arrive in steam-ship "Corinthian" from Montreal, were ordered to remain at Toronto till Monday, 23rd.

Three companies 60th Rifles from Ottawa (per steam-ship "Corinthian") were ordered, with one company 60th Rifles from Toronto, to proceed to Collingwood at 1 P.M. and embark on board steam-ship "Francis Smith" for Thunder Bay, together with 40 horses. The "Chicora" sailed from Collingwood at 6 P.M., in a thick fog. The day had been cloudy and overcast, with occasional and slight showers of rain.

* She had been built for running the blockades during the American War.

Passed to the northward of Great Manitoulin Island, having lain to during the night for four or five hours. At 9:30 A.M. stopped at Killarney to deliver the mails; through a narrow channel amongst barren rocky islands, covered with a growth of stunted pines. At 9 P.M. reached the Bruce Mines; stopped there for the night, the channel ahead being too intricate to attempt without day-light.

Bright sunny day and warm, little or no wind.

Started from the Bruce Mines at day-light, but lay to for an hour during a heavy storm of thunder and lightning, accompanied by hail and rain. Stopped at Garden Island at 8 A.M. to deliver mails. Reached the Sault at 8:45 A.M.; found the schooners "Pandora" and "Orion" lying at the wharf, loaded with boats and stores for Mr. Dawson's party: presently the propeller "Chickland" came and towed them off to the American canal. Colonel Bolton and Mr Simpson, M.P. for Algoma, came on board and reported a very cordial feeling as existing at present with the United States Commandant at Fort Brady, Colonel Offley. "Chicora" came alongside the wharf and landed troops and military equipment of all kinds, also two horses for the use of Colonel Bolton and Captain Nagle. The remainder of the horses, boats, stores, &c. being allowed through the canal.

The troops then marched to Colonel Bolton's camp, $1\frac{1}{2}$ miles distant, where they were temporarily put up in one of the barns of the Hudson Bay Company's post (for description of Camp, *vide* Colonel Bolton's letter from Sault St. Marie, dated May 17th). At 4:30 P.M. No. 1 Company (Captain Cook) of the 1st Ontario Rifles marched from the camp to the wharf at the upper end of the Sault, to embark on board the "Chickland" to accompany and protect the two schooners she was towing from any Fenian attempt. At 5 P.M. the company of the 60th left the camp and marched to the wharf, three-quarters of a mile, and embarked in a scow in two detachments, and were towed to the "Chicora" by a tug. The road from the lower to the upper end of the Sault, $2\frac{1}{2}$ miles, was found to be in good order, a great deal of work having been done to it since the arrival of Colonel Bolton, two bridges built, a wharf and a new scow capable of carrying 400 barrels, and other improvements. Found that the "Chicora" had been waiting for us two hours, which time might have been profitably employed by the Captain in coaling, and the loss of which occasioned a serious subsequent delay. Sailed from the Sault at 6:20 P.M., and stopped 5 miles up the river St. Mary, at Point aux Pins, for coal. Darkness coming on, the Captain decided to remain there all night. Opposite the Sault the river is about three-quarters of a mile wide at its narrowest part, but opens out considerably above the rapids.

Weather cloudy and threatening rain, fog came on after sunset.

Left Point aux Pins at day-light. At noon the men of the 60th came up on deck and gave three hearty cheers for the Queen.

Out of sight of land all day. Fresh breezes from north-west, a little sea on. Weather cloudy and very cold.

Sighted land early this morning, passed Thunder Cape about 7:45 A.M., and anchored off the end of the road to Lake Shebandowan at 10 A.M. Landed troops and camp equipment immediately, and Colonel Wolseley named the place "Prince Arthur's Landing" in honour of His Royal Highness. Encamped on a dry cleared spot, but limited, with the road on our right flank fronting the lake. Landed the horses (22) safely, and got all stores, boats, &c., ashore by 10 P.M. A tremendous fire last week devastated the country for miles around and burnt some of the smaller bridges on the road. Colonel Wolseley wrote to Colonel Earle, and sent a telegram to General Lindsay, of our safe arrival, to be forwarded from Collingwood.

Weather lovely; no signs of the "Francis Smith." "Chicora" left at 10 P.M. for the Sault.

Very cold during the night, but lovely day again. Colonel Wolseley left the camp on horseback at 8 A.M. to ride over the road with Mr. Russell. No signs of the "Frances Smith."

Men employed all day in making themselves comfortable.

"Algoma" and "Brooklyn" arrived at 3 A.M. "Chickland," with the two schooners "Pandora" and "Orion" in tow, at 11:30 A.M. Head-quarters and four companies of the 1st Battalion 60th Rifles under Major Robertson landed by 9 A.M. and encamped alongside the company already here. One company 1st Ontario Rifles under Captain Cook landed from "Chickland" at 2 P.M., and encamped about half a mile north-east of the main road, on a little clearing with a pretty trout stream flowing past their front; the lake on their right flank. Colonel Wolseley returned at noon, having ridden 31 miles over the road, the first 26 miles of the road in good order, but some of the smaller bridges burnt by the late fire. Men employed all day in unloading steamer "Algoma" and stacking stores under marquees. 32 horses landed from "Algoma" and "Brooklyn," some of them sick with bad colds and two injured on board "Frances Smith," having been gored by the oxen on board. Colonel Bolton reported bad behaviour on the part of the Captain of the "Francis Smith," who was drunk the whole way, and finally refused to go beyond the Sault without a guarantee of 65,000 dollars. (*Vide* Colonel Bolton's letter of 24th instant, Enclosure No. 5, page 35).

Working party employed the whole afternoon making a road from Head-quarters Camp to Camp of 1st Ontario Rifles.

"Algoma" left about 7:45 P.M. for the Sault, taking letters from Colonel Wolseley to the Military Secretary, and a telegram for the General, and official letters for Colonel Bolton, &c. Fine weather still continuing.

Two companies 1st Battalion 60th Rifles left the camp at 4 A.M. to be posted on the

Sunday,
May 22nd, 1870.
En route to the Sault.

Monday,
23rd May, 1870.
Arrival at the Sault, and passage of the "Chicora" through the canal.
Disembarkation of Colonel Wolseley and Staff, and one company of 60th Rifles at lower end, and re-embarkation at upper end.

Embarkation of No. 1 Company Ontario Rifles, on "Chickland," for Thunder Bay.

Tuesday,
May, 24th 1870.
En route from the Sault to Thunder Bay.

Wednesday,
May 25th, 1870.
Landed at Thunder Bay.

Thursday,
May 26th, 1870.

Friday,
May 27th, 1870.
Head-quarters 1st Battalion 60th Rifles, landed 18 officers, 213 men.
One company Ontario Rifles landed, 3 officers 50 men.

Departure of "Algoma," 7:45 P.M.
Saturday,
May 28th, 1870.

Two companies 60th left camp to work on the road, 5 officers and 87 men.

Sunday,
May 29th, 1870.

Monday,
May 30th, 1870.

Tuesday,
May 31st, 1870.

road as working parties, one company at the bridge over the Kaministiquia River, 21½ miles distant; the other at a lake on the left of the road, 15 miles. These parties to receive working pay from the Public Works Department at the following rates:—Serjeants, 2s.; Corporals, 1s. 6d.; Privates, 1s. per diem; and one timekeeper for each party at 2s. per diem. Colonel Wolseley selected a site and commenced clearing it for a temporary magazine. Working parties occupied making a road to the camp of 1st Ontario Rifles. "Brooklyn" unloaded after a hard day's work; men working till 11 p.m. Fine day; fresh breeze from S.S. East, heavy surf on the shore.

Divine Service parade at 9 a.m., Rev. Mr. Wilson, a missionary to the Indians, officiated. A fatigue party of 12 men to finish stacking barrels. Another glorious day; strong breeze from east, got up with the sun, and working round to the westward; moderated at sundown.

The detachment that marched yesterday to the lake 15 miles up the road reported the water bad; marched one mile further and camped.

Fine weather still continuing, with strong breeze. Surveyed the camp with prismatic compass and make a sketch, which is herewith enclosed. Working parties of 50 and 20 men employed all day, one party on the main road, about half a mile from camp, the other on the new road to Militia camp. Fatigue party of 25 men from 1st Ontario Rifles, magazine being proceeded with.

	Officers.	Men.	Total.
Royal Artillery...	1	19	20
Royal Engineers...	1	19	20
1st Bn 60th	1	25	26
2nd O. Rifles	...	1	1
	3	64	67

This detachment left Toronto 7:30 a.m. 24th. Left Collingwood in "Prince Alfred" midnight 25th. Arrived at Sault 6 p.m. 27th. Left Sault in "Clematis" 4:30 p.m. 29th. Reached Prince Arthur's Landing 5 p.m. 31st.

Wednesday,
June 1st, 1870.
60th Rifles, 25 officers and 79 rank and file. Left Toronto 7 a.m. 24th May. Left Collingwood in "Prince Alfred" midnight 25th. Arrived at Sault 6 p.m. 27th. Left Sault in "Union" 5 p.m. 30th. Reached P. Arthur's Landing 10:30 a.m. 1st June.

Thursday,
June 2nd, 1870.
One company 1st Bn. 60th, detached to Kaministiquia river—2 officers and 45 rank and file.

Friday,
June 3rd 1870.
Arrival of steam-ship "Chicora," 219 officers and men, 40 horses, 18 teamsters, 15 wagons.

Saturday,
June 4th, 1870.
1st Ontario Rifles, 17 officers, 201 rank and file. Staff officer, Lt.-Col. McNeill, V.C. This detachment left Toronto 7:30 a.m. 31st May. Left Collingwood 5:30 p.m. 31st. Arrived at Sault 5 a.m. 2nd June. Left Sault 5 p.m. 2nd June. Arrived at P. Arthur's Landing 8:30 p.m. 3rd June. 1st Bn. 60th Rifles, 3 officers and 34 rank and file, left at 6:30 a.m. for Lake Shebandowan by water

also that the "Algoma" had gone down to Collingwood, passing the Sault at 2:20 p.m. 29th instant.

Steamer "Union" in sight at 8:45 a.m. Sent tug out to bring her in; anchored at 9:30. One company and a-half 60th Rifles, under Captain Northey, landed and camped by 11 a.m. "Clematis" and "Snow Bird" unloaded and returned to the Sault, starting at 4 p.m. Letters written to the Military Secretary and Colonel Bolton, and marching in states forwarded to Deputy Quartermaster-General. Deputy-Assistant Commissary-General Myer sent per steam-ship "Clematis" to relieve Deputy-Assistant Commissary-General Fuller, ordered to Montreal. Wagons landed from "Union"; Reserve S.A.A. and ammunition for the guns landed at magazine wharf and stored there. Lieutenant Heneage, R.E. designed and commenced a palisaded earth redoubt, 25 yards by 15 yards, round the magazine, as a fort during the absence of the Expedition. Very hot weather.

The Militia put on as a working party, the 60th furnishing the fatigue for the wharf, also the working party for the main road. One company 60th marched at 4 a.m. for the Kaministiquia River, there to be stationed as an additional working party. Five wagon loads of stores sent off to Kaministiquia River as a commencement of a depôt of supplies to be formed there. Mr. Dawson sent out his voyageurs to cut palisades for Lieutenant Heneage's stockaded fort, also began platforms as carriages for the boats—mounted 4 or 5 in this way. Weather very hot. Barometer falling, a threatening rain, but none fell. Woods apparently on fire, the air full of smoke, and haze. Unloading of "Union" still continued.

Working and fatigue parties same as yesterday. Steam-ship "Union" finished unloading at 8 a.m. Twenty-five men and one officer 60th left the camp at day-light, with one day's rations to haul woods for the stockade. "Union" paid off and discharged. She sailed at 10 a.m. Steam-ship "Chicora" arrived and anchored at 8:30 p.m. Forty horses landed by 11:30 p.m. Mail bag and letters delivered. Four boats left camp for River Matawan, on wagons. Cloudy, and threatening rain. Slight shower about 10 p.m. Six wagon loads of stores sent off to Kaministiquia River.

Disembarked head-quarters and four companies 1st Ontario Rifles at 4 a.m. Lieutenant-Colonel McNeill, V.C., arrived in "Chicora." A detachment of 60th Rifles embarked in six flat-bottomed boats, with 36 days' provisions, and were towed off at 6:30 a.m. by the tug to Fort William, where they took in two voyageur Indians in each boat, and started to go up the Kaministiquia and Matawin rivers to Lake Shebandowan. Employed all day in unloading the "Chicora." Working parties employed as usual; 15 wagons landed from "Chicora," also a collarmaker for the Land Transport Corps, and 18 teamsters. Information received from Colonel Bolton that Mr. Hamilton had hired by his order the steam-ship "Artic" for 25 days at 400 dollars per diem. Orders sent to Colonel Bolton to break off contract with "Artic" as soon as possible, as she will not be required.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Camp, Prince Arthur's Landing,
Thunder Bay, 4th June, 1870.

A copy of the Specification for the rough fittings put up in the steamer conveying our horses is forwarded herewith. Also a survey of the Camp by Captain Huyshe, 1st Battalion Rifle Brigade accompanies this Journal.—G. J. W.

*For the Quartermaster-General
of the Army, Horse Guards.*

TRANSPORT OF HORSES BY LAKE.

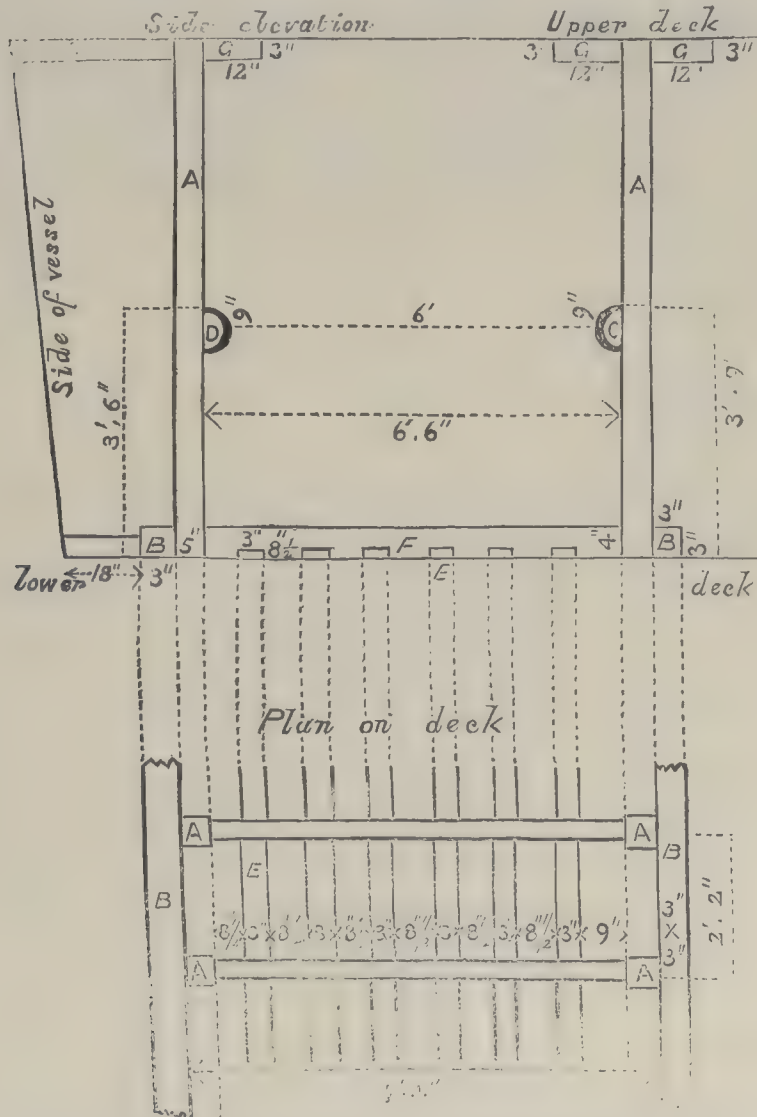
Toronto, 14th May, 1870.

SPECIFICATION of rough fittings required for horses in the steamers plying between Collingwood and the Sault St. Marie, and for those plying between that place and Thunder Bay.

As the voyages are so short, and as very rough weather is not anticipated, it is not intended to place parting bars between the horses, nor provide them with hammocks.

The fittings will be of the simplest description, as follows:—

Two *cants* of scantling, 3 in. by 3 in. (marked "B" in Sketch), to be laid down *Cants*.



on the deck running fore and aft, with a clear space between them of 7 ft. 4 in. The outside one being, if possible, at least 18 in. from the side of the vessel. They will be firmly spiked to the deck; a spike to be driven at every 12 in.

Upright *stanchions*, 5 in. by 5 in. (marked "A" in Sketch), to be placed inside the *Stanchions* cants, and extending between the two decks, to which they will be secured by spikes driven obliquely, and by *cleats* (marked "G" in Sketch) of 3-in. timber placed round them. These cleats to be spiked to both decks; the cleats to the rear stanchions to extend to the side of the vessel. The stanchions to be 2 ft. 2 in. apart from centre to centre.

A *Breast-piece* (marked "C" in Sketch) 9 in. deep, of 3 in. stuff, to be secured to the inside of the front stanchion by countersunk screws, so that its upper side may be 3 ft. 9 in. above the deck: it must be planed all over its inner side; its upper and lower corners on inside being rounded off so as not to scratch the horses.

A *Haunch-piece* (marked "D" in Sketch) 9 in. deep, of 3-in. plank, to be secured by countersunk screws to inside of rear stanchions, so that its upper side may be 3 ft. 6 in. above the deck. Its inner and upper sides to be planed over, the corners being rounded off smooth.

Cross battens.

Six *cross battens* (marked "E" in Sketch) to be secured to the lower deck, fore and aft, with countersunk nails. They will be 3 in. wide and 2 in. deep, and be placed at intervals of 11 in. from centre to centre, except the two middle ones, which will be 12 in. apart.

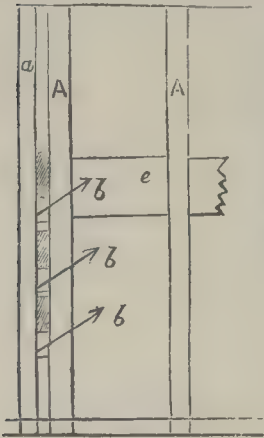
A longitudinal batten (marked "F" in Sketch) 4 in. deep and 3 in. thick will extend between each front and hind stanchion. It will be scored to fit over the cross battens, and spiked to the deck below.

The horses will be secured by their halters to the front stanchions, an extra piece of rope being used, so that the head of each horse may be secured on both sides.

They will be fed with corn from nose-bags, with which each horse is to be provided before embarkation. The teamsters in charge of them must make the best arrangements they can on board for feeding them with hay.

At each row of horses, the end which it is not necessary to use for walking the horses into their places through, is to be closed by 3 in. boards, securely nailed to the outside of the stanchions.

The upper side of the upper board being 3 ft. 9 in. above the deck.



When the horses have been placed in position, and their heads secured, as already described, the end of the row through which they have been led into their places, is to be closed by three 3 in. boards, and kept in position by means of two 3 in. planks (a), so as to leave a space of 3½ in. between them and the outside of the end stanchion. Three small pieces of plank (b b b) to be nailed between them and the stanchions, upon which the three boards can rest, when they are shoved through the space between these upright planks and the stanchions, as shown in the margin.

(Signed) G. J. WOLSELEY, Colonel.

Sunday, June 5th, 1870.

DIVINE Service parade at 9 A.M., Rev. Mr. Wilson officiated. All the Troops in camp attended.

Land Transport Corps—		Horses.
Present ..	..	40
On Duty ..	..	32
Sick ..	..	22
Total ..	..	94

26 wagons sent off with stores and boats.

Fine morning, but hot. Thermometer fell from 70° Fahr. to 60° in one hour; clouded over, but passed off without rain. In the afternoon the officers went over to Fort William in the tug, and went up the Kaministiquia River to Point de Meuron, 10 miles; river broad and deep, 10' to 14'. Scenery very pretty. Four boats sent off up the road this morning, and 18 wagon-loads of stuff.

Monday, June 6th, 1870.

Colonel Wolseley and Mr. Irvine started on horseback at 4 A.M. to ride up the whole length of the road, intending to return to camp on the 8th instant, by the Kaministiquia River.

Land Transport Corps—		Horses.
Present ..	..	56
On duty ..	..	18
Sick ..	..	20
Total ..	..	94

7 wagons sent off with stores, &c. 6 carts employed in camp.

Heavy storm of rain set in about 5 A.M., with gale from the north-east, which raised a heavy surf on the shore. About a dozen of the Red River boats, which were moored in a line to the floating scow, broke adrift, and drove on shore; they were got safely ashore, and hauled up on the beach, only three being at all damaged, two slightly, and one severely. This boat, "clinker-built," had torn away the wooden triangle between her bows, and started three planks, breaking them off from the stern and splintering them badly.

Rained steadily till about 10 A.M., when it gradually cleared off. The afternoon was fine and warm. Gale moderated about noon. No working party out to-day, but the stockade was gone on with in the afternoon. Many of the horses returned to-day badly galled from ill-fitting collars and saddles.

Rained steadily till about 10 A.M., when it gradually cleared

Tuesday, June 7th, 1870.

Land Transport Corps—		Horses.
Present ..	..	20
On Duty ..	..	52
Sick ..	..	22
Total ..	..	94

14 wagons sent off with boats and provisions, 4 A.M.; 11 ditto with Commissariat stores and hay, 6 A.M.

Sent off 12 boats by road at 4 A.M., and 13 wagons of stuff at 6 A.M. Working party (50 of 60th) out to day, and fatigue parties of 1st Ontario Rifles on stockade, &c. Set Mr. Benson's party of voyageurs at work to clear the burnt logs and stumps from the open ground on the other side of the 1st Militia Camp, to make a camping ground for the 2nd Quebec Rifles. Weather cloudy and rainy; frequent showers in the morning and afternoon.

Rained hard during the night, and till 2 P.M. Road very heavy. Did not send off any boats or wagon-loads of

Wednesday, June 8th, 1870.

stores. Colonel Wolseley and Mr. Irvine returned about 7:30 P.M., having ridden to the extreme end of the road, 37 miles, and having been thoroughly drenched during nearly the whole time they were away. They returned by the River Kaministiquia, and met Captain Young's party with the six boats, which left on Saturday morning, about 5 miles below the bridge over the Kaministiquia River. They had got their boats safely up all the portages (including the steep portage round the Kakabeka Falls), and had cleared the portages and cut skids to drag the boats over on. They reported the feasibility of transporting boats by the river route. Steamship "Algoma" arrived at 10 P.M., delivered mails that night. Several of the boats that were sent off yesterday arrived at their destination badly damaged through careless driving. Two of them very seriously injured.

Disembarked 18 horses, 6 bullocks, and 80 labourers for the road at daylight. Two companies of the 2nd Quebec Rifles, under Lieut.-Colonel Cassault, with Major MacCleod and Head-Quarters of that battalion (strength as per margin) landed at 7:30 A.M., and were encamped on the opposite side of the stream to 1st Ontario camp. Colonel Wolseley had an interview with Mr. Dawson, and informed him of the success of Captain Young's party, and requested him to send on more boats by the river route; at the same time offering him the services of the troops for the boats. Mr. Dawson promised to send up five or six more boats that evening with voyageurs and Indians, but declined the services of the soldiers. Weather cloudy and cold, but no rain. Fatigue party on the stockade. Nine men in hospital. "Algoma" sailed during the night, bearing the usual letters and despatches, &c., from Colonel Wolseley to the General. No wagons or stores sent up the road.

Mr. Dawson sent off six boats at 8 A.M. with 7 voyageurs and two Indians in each boat, one clinker built, the rest carver. By road were sent up this morning 4 boats and 14 wagon loads of stores, and an order to Captain Ward at the Kaministiquia River to send on to-morrow a serjeant and nine men, to be camped at the Matawin Bridge, and to take charge of all supplies there till the arrival at that place of Captain Young's party. Letters written to the Military Secretary respecting an officer to command the post here, and about the purchase of the four mountain guns by Dominion Government; also to Mr. McIntyre, at Fort William, to know latest safe date for leaving Fort Francis on return; and to Colonel Bolton for latest date of closing the Sault Canal. Working parties as usual on stockade and redoubt. Weather cold, and damp, and showery.

Frequent showers during the night. Barometer rising a little towards morning. Sent off 14 wagon loads of stores and a Non-commissioned Officer of Army Service Corps to the Matawin Bridge to look after the stores now being accumulated there.

Working parties on stockade and redoubt. Letter from Captain Young received, reporting his arrival at Kaministiquia Bridge, as follows:—

"Left the camp, Thunder Bay, at 6:45 on the 4th, and were towed to Fort William, where we halted to take on board 18 Indian voyageurs, and also some poles and towing or tracking lines, those which we had with us being deemed too heavy by Mr. McIntyre who kindly gave us others that proved of the greatest use, indeed, without them it would have been difficult, if not impossible, to reach this; the spikes for the end of the poles were, however, of no use, socket spikes being the only ones of any use.

"The Indians were unprovided with any cooking utensils or vessels to eat and drink out of, so that we had to lend them those provided for the use of the detachment, and together with having only three frying-pans, increased the delay for meals at halting places. We left Fort William at about 9 A.M., and rowed up the Kaministiquia to Point Meuron, where we arrived at 12 noon, and halted to dine, and then we discovered that

Land Transport Corps—			
		Horses.	
Present ..	..	70	
On duty ..	..	6	
Sick ..	..	18	
Total ..	..	94	

3 wagons sent off with stores; roads too deep for loaded wagons.

Disembarked from "Algoma,"			
Head-Quarters	of	2nd Quebec	
Rifles—			
Officers	12	
Men	95	
Labourers	80	
Horses	18	
Bullocks	6	
Teamsters	13	
Red River boats	12	

This detachment left Toronto 4th June, 7 A.M. Left Collingwood 4th June, 3:30 P.M. Arrived at Sault, 6th June, 9 P.M. Left Sault, 7th June, 11 A.M. Arrived at Prince Arthur's Landing, 8th June, at 10 P.M. Disembarked, 9th June, at 6 A.M.

In hospital—		Men.
1st Bn. 60th ..	..	2
1st Ontario ..	..	7

Land Transport—			
		Horses.	
Present ..	..	70	
On duty ..	..	6	
Sick ..	..	36	
Total ..	..	112	

3 wagon loads for Mr. Dawson to Kaministiquia River.

In hospital—		Men.
1st Bn. 60th ..	..	5
1st Ontario ..	..	5
2nd Quebec ..	..	1
Total ..	..	11

Land Transport Corps—			
		Horses.	
Present ..	..	47	
On duty ..	..	44	
Sick ..	..	21	
Total ..	..	112	

14 wagons sent off with commissariat stores, 2 with forage, and 4 with boats.

In hospital—		Men.
1st Bn. 60th ..	..	5
1st Ontario ..	..	4
2nd Quebec ..	..	1
Total ..	..	10

Land Transport Corps—			
		Horses.	
Present ..	..	46	
On duty ..	..	44	
Sick ..	..	22	
Total ..	..	112	

15 wagons sent off at 7 A.M. 1 bullock and 6 horse carts employed in camp. 5 boats despatched by water.

Thursday, June 9th, 1870.

Friday, June 10th, 1870.

6 boats by water, 4 by land, and 14 wagon loads of supplies.

Saturday, June 11th, 1870.

“ the Indians had not been rationed for that day as our men were, so we had to open the stores for them. We proceeded again about 1:45, and after rowing about two miles farther, came to rapids, where we had to lay the oars aside, and take to poling and tracking for six miles farther, when we camped. Being a fine night the tents were not pitched, but the men suffered a good deal from flies, as they have, indeed, done during the whole way, the mosquito nets provided for them being almost useless after a day or two, as they tear easily in tracking or walking in the bush. We started early on the 5th, and arrived at Portage Parisian at 9 A.M. Portage 350 yards, but the Indians managed to take the boats up the rapids, so that only the stores, rifles, &c., were carried by land. We went on again at 10:30 A.M., and poled and tracked until 12 noon, when we had to run ashore from a violent thunderstorm, which wet the stores considerably, notwithstanding that they were covered with (so called) waterproofs.

“ We stopped at 1 P.M. for dinner at the point where White Fish River meets the Kaministiquia, and went on again at 2:20, tracking and poling, also a little rowing, but very little of the latter, and arrived at the foot of the Kakabeka Falls about 6 P.M., and camped. For the last half-mile the Carvel boats had to be taken up by the Indians alone, and the men of the detachment belonging to them marched along the bank through the bush. On the morning of the 6th it rained heavily, so we did not get to work until 8 A.M., after breakfast, when the Indians began to cut a portage road, and our men to take stores, &c., across the portage, which I found to be about 1,750 paces. After dinner, a considerable part of the road being made, we carried the boats up to the top of a rocky hill, the angle at least 45°; it was very hard work, especially with the Carvel boats, the red boats (flat-bottomed) being got over with considerably less difficulty, indeed, they seem, so far, much better than the others, except in pulling through still water, where, as six oars can be used against four in the others, they have an advantage.

“ We got the stores, boats, &c., over the portage by 7 P.M., and as it threatened rain, I only moved one tent as a guard-tent for the stores, &c., and early on the 7th we embarked everything, and pulled for about a quarter of a mile to another portage, which I made to be 1,100 paces; this portage was very rocky, and it took us until 5 P.M. to get boats, stores, &c., over and re-embark.

“ We then went on for about one and a-half miles to another portage, where, however, the Indians got the boats up, and our men portaged the stores; this occupied us until 7 P.M., when we camped. The following morning, the 8th, when I met you and Mr. Irvine, was very wet, and continued so until late in the afternoon, when the Indians took the two Carvel boats up the remainder of the rapid; the river rose considerably (at least 2 feet) from the previous rain.

“ On the morning of the 9th we started again at 4 A.M., and went on to portage De L'Isle, which is over an island, and very short, only about 50 paces; then we went on to another portage a couple of hundred yards off, where the stores, &c., were disembarked and carried across, and the men breakfasted. After breakfast the Indians felled trees and made a portage road about 700 paces; when it was finished we got the boats over and re-embarked, but soon came to another portage of about 500 paces, and got stores, &c., over and dined; the Indians then made another road, and we took the boats over, and went on again through several rapids very close together, when the men of the detachment had, in nearly every case, to disembark, and the Indians took the boats up, assisted by tracking lines, hauled by our men, until about 6:30 P.M., when we camped; and this morning, the 9th, we started about 7:30, the men having previously breakfasted. It rained hard until 6:30, so I thought it advisable not to go on, but as it cleared about 6:30, I had tea made, and gave the men breakfast, and came on here without much difficulty, except at one place, where a portion of the stores we carried overland for 420 paces, the Indians poling the boats up the rapids with the remainder. The route which we came by would, I consider, be very destructive to the clinker-built boats; those we have are a good deal scratched, and in some instances there are dents in the sides and bottoms, though nothing of any consequence.

“ In accordance with your instructions I propose going on to the Matawin Bridge to-morrow morning, and must, I fear, leave all the boats there. The Indian voyageurs say it would be impossible to take the large boats to the Shebandowan Lake, and they also want to go back to Fort William, saying that they were only engaged to go to this place, and saying that this was the Matawin Bridge; but they have been prevailed on by C. Gaumond, Mr. McIntyre's agent, to go on to the Matawin Bridge; they say it is a very hard bit of river, and though only five miles, it will take us a day and a-half. I fear some portion of our biscuit and other stores will be found damaged by wet, but it was impossible, considering the weather we have had, to be otherwise. If any other boats are to be sent by the route I have come, I would advise that as few provisions as possible might be sent, as they are difficult to portage, and spoil from wet, which cannot be avoided, as in poling the boats in rapid water a good deal of splashing occurs, and the waterproof covering becomes displaced. The steering apparatus for the larger boats did not seem to answer well, or it might have been that the rudders and tillers were not the ones made for the boats they were on. I will send in another report when I return from the Matawin Bridge.”

In hospital—	Men.	Weather cleared up at 2 P.M. One of the teamsters refused to start on Sunday with a load; he was put into the guard-room, to be discharged and sent to Toronto by the next steamer. A boat was given to each of the two Militia Corps to practice rowing.
1st Bn. 60th ..	5	
1st Ontario ..	4	
2nd Quebec ..	1	
Total ..	10	

Showery again this morning, preventing Divine Service parade.

Sent off 12 wagon loads of stores. The Indians from Captain Young's party returned here at 7 A.M. from the Matawin Bridge; they were given some bread, &c., and sent off in a boat to Fort William. Letter received from Captain Young reporting his arrival safely at the Matawin Bridge. The water in the river being very high, they had no portages. He reported all his boats in a serviceable condition.

Sunday, June 12th, 1870.

In hospital—			Men.	13 wagons sent off at 7 A.M. 15 wagons not returned sent off yesterday.
1st Bn. 60th	..	8		
1st Ontario ..	..	3		
2nd Quebec ..	..	2		
Army Service Corps.		1		
Total ..	..	14		
Land Transport Corps—			Horses.	
Present ..	..	34		
On duty ..	..	56		
Sick ..	..	22		
Total ..	..	112		

Rained hard during the night. Weather mild and damp. stores.

The following is the way in which stores are landed here from vessels in the Bay :—

The depth of water at the end of the pier, about yards from shore, is 4' 6", but it deepens gradually, till, at 150 yards from shore (where is moored a floating raft buoy), it is 13' 6" in depth, and it increases to 3 and 4 fathoms at 400 yards from shore, with good holding ground on a sandy bottom. Moored to the buoy is a large wooden scow, plans and specification of which are enclosed. This scow when unloaded draws about 6" of water, and is capable of carrying

tons, or about 500 barrels of pork; it is always able to come alongside the pier. When calm vessels anchor close to the floating raft buoy, and are speedily unloaded by means of the scow, which is hauled alongside by a rope passing from the pier to the vessel, and in this way backwards and forwards between the pier and the vessel. When blowing fresh from the E. or S.E., an ugly surf gets up, and vessels lie out half-a-mile or more from the shore, and can only be unloaded by means of a tug. For this purpose a small tug has been hired at 200 dollars per week, which tows the scow to the vessels and back to the pier. This tug has also been used in towing boats from Prince Arthur's Landing to Point de Meuron, 10 miles up the Kaministiquia River, and has been very useful in other ways. Steamers like the "Chicora" and "Algoma" can be unloaded in one day, and larger vessels in one-and-a-half to two days.

Horses are landed in the scow in the same manner as stores, 20 at a trip, and no accident whatever has as yet occurred. Indeed, the scow has proved invaluable, were it not only for landing the horses. There are two piers side by side, one of which is 90 feet long by 14 broad, and the other 54 feet long by 26 feet broad. The former is made of open crib-work, sunk by heavy stones, and boarded over with logs. The latter of piles driven into the ground, with open crib-work filled with heavy stones, and boarded over with squared logs.

Steamship "Chicora" arrived at 2.40 P.M., bringing the remaining two companies of 1st Ontario Rifles, 18 oxen, 8 wagons, and 18 carts.

(Signed) G. J. WOLSELEY, Colonel,
Commander of Expeditionary Force.

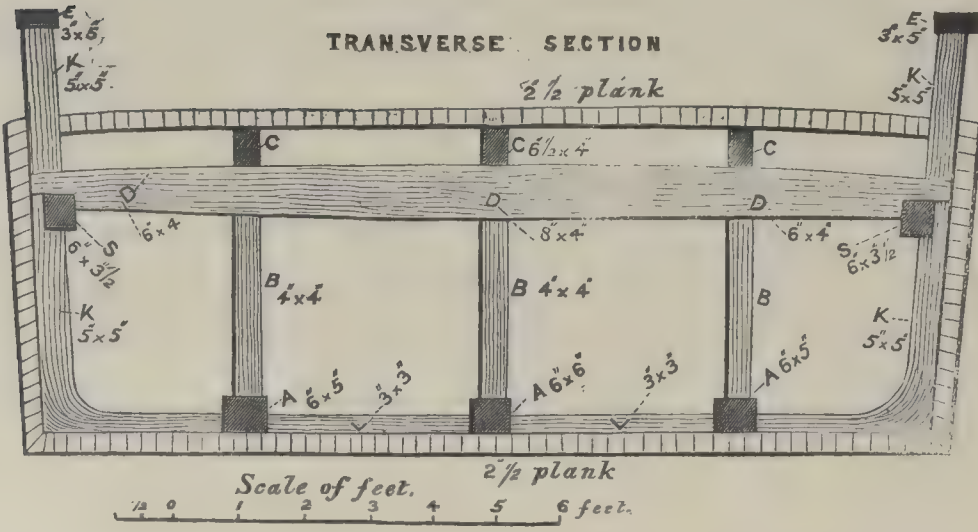
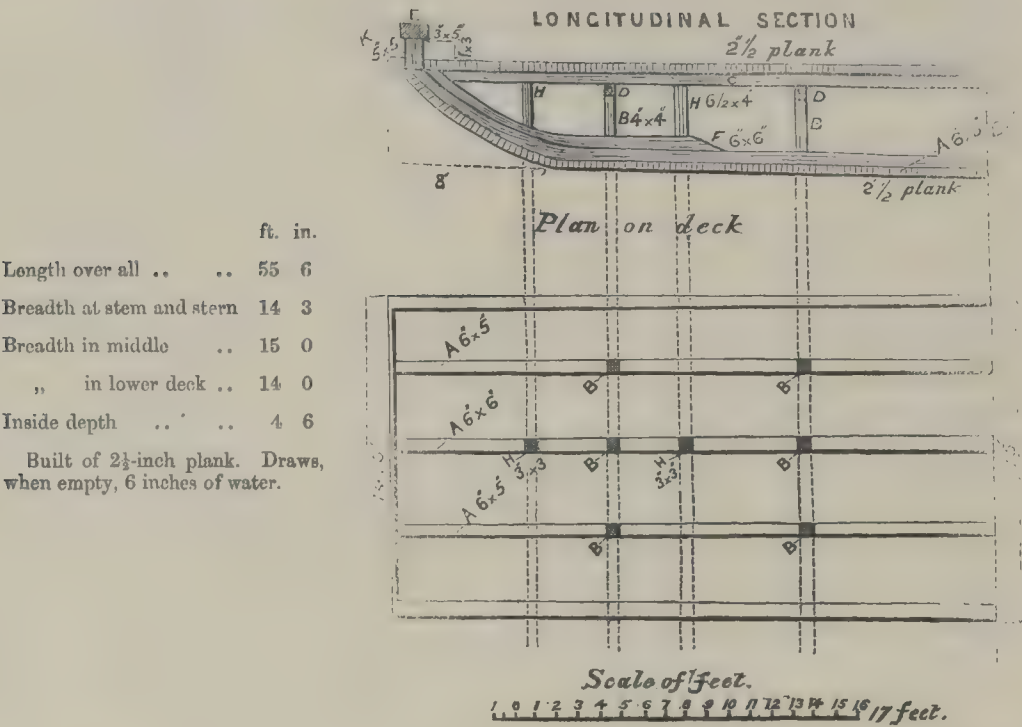
The Deputy Quartermaster-General, Canada, for the information of the Lieut.-General Commanding in British North America, and for transmission to the Quartermaster-General of the Army, London.

(Signed) G. J. W.

Arrival of steamship "Chicora" at 2.40 P.M., 2 companies 1st Ontario Rifles, 6 officers, 102 rank and file, 18 oxen, 8 wagons, 18 carts, labourers, &c., &c.

SPECIFICATION OF SCOW employed in landing stores at Prince Arthur's Landing.

Thunder Bay, June 13th, 1870.



On lower deck three “kelsons” (marked A in sketch), the centre one 6 in. by 6 in., one on each side of middle; one half way between it and side of scow, 6 in. by 5 in. The centre kelson is strengthened at the ends by an additional piece of 6 in. stuff (marked F).

On kelsons are upright *stanchions* (marked B in sketch) of 4 in. by 4 in., six in number.

On the centre kelson are two additional stanchions at each end (marked H) of 3 in. by 3 in. stuff.

Rectangular tamarack frame timbers, or “*knees*” (marked K in sketch), twelve in number, 5 in. by 5 in., running from side kelsons through upper deck, and carrying bulwarks, top of which is 1 ft. 6 in. from upper deck. From centre of knees 3 ft. 10 in. The bulwark is 3 in. by 5 in. (marked E).

A “*shelf*” (marked S in sketch), 6 in. by 3 1/2 in., runs longitudinally on each side; it is spiked to the inner side of knees, and forms a rest for the deck beams.

“*Deck Beams*,” six in number (marked D), running transversely, resting on the stanchions and on the shelves, into and down upon which they are notched; they are also notched on the sides of knees and spiked thereto; they are 8 in. by 4 in. at the centre, and 6 in. by 4 in. at the sides. This gives them a slight curve, which raises the deck in the centre.

“*Struts*” (marked L in sketch), 3 in. by 3 in., running transversely at every second knee.

“*Carlings*,” or longitudinal deck beams (marked C in sketch), 6 1/2 in. by 4 in., three in number, resting on transverse deck beams.

“Between the Kaministiquia and Matawin rivers there are two or three bad places, amounting in all in distance to about a mile and a-half.”

Captain Young, by Colonel Wolseley’s orders, started from his camp at the Matawin on Tuesday the 14th, to ascertain whether it is possible to convey the boats up the Matawin into the Shebandowan Lake, or up to the Oskondagee Creek. I desired him to report on reaching the latter place.

Lieutenant Alleyne, R.A., practised at 5 P.M. with his guns at two floating targets placed in the bay, one at 1,000 yards, the other at 550 yards. The practice was very good. Fifteen rounds were fired from three guns; at the long range seven rounds of common shell, at the short range six rounds of shrapnel; also two rounds of canister. One of the gun carriages was damaged—one of the bolts passing through the body of the carriage was broken, and the nuts came off; this caused the wood to split across the breast of the carriage. This gun carriage appears to have been fired at high elevations at Montreal, and it is supposed that the bolt got strained in this way. The injury is easily repairable.

Weather very fine; fresh “sea-breeze” as usual during the day. Night cold. Flies not troublesome. Steamship “Arctic” finished unloading at dusk.

Two working parties of 30 men each sent out about 6 miles on the road at 7 A.M., taking their rations with them. One hundred men employed on the Redoubt, and 25 on the Commissariat fatigues.

Letter received from Mr. Simpson, dated Fort Francis, June 10, reporting that latest news from Fort Garry was in April, when all was quiet; that the Indians would resist any Fenian raid; that there would not be much trouble in making a treaty for right of way; that only two men had as yet been obtained as guides; that the Indians were to hold a grand council on the 20th June; that the portages would be cut, and drift wood cleared from the French river by the crews of two canoes leaving Fort Francis that day for Fort William; that by this means there would be water enough in the French river for the boats; that the Hudson’s Bay Company’s agent, Mr. McKenzie, would put plenty of storage at the disposal of Colonel Wolseley at Fort Francis; that the road from N.W. angle of the Lake of the Woods to Fort Garry was reported impassable by Indians and Hudson’s Bay Company’s officials;

that the route from Fort Francis to Fort Alexander would take about eleven days for boats laden with 80 pieces of 90 lb. each; that the portages on that route were all in good order; that the Hudson’s Bay Company’s brigade of boats left Fort Francis for York Factory; that he (Mr. Simpson) had had a long trip, arriving on the 8th June. Weather very wet, and head winds.

Captain Young reports that he started from his camp at the Matawin Bridge early on the morning of the 15th June, in one of the red Ottawa flat boats up the Matawin river, and for 4 miles did not meet with any difficulty worthy of mention; he then came to a bad rapid, where he made a portage road of 120 yards: for about 4 miles above there is a succession of rapids, up which they managed to pole and track, making a short portage of 20 yards; they then came to a rapid where the river runs through a gorge, with perpendicular sides, and water so rough and rocky, with falls, that it was impossible to track or pole; on looking from the highest accessible point, the river for at least three-quarters of a mile seemed in the same state; and the banks were so rough, and the ascent so abrupt, that a portage road could not be formed.

Captain Young considers it impossible to take the large boats by this route, unless a regular road is made, and even then, the assistance of many men would be required, as the highest point is more than 120 feet above the river.

Schooner “Pandora” anchored about 9-30 P.M.

Weather very hot and sultry, thermometer 94° in the shade; heavy thunder storm in the afternoon. Working parties on the road not required; 100 men on the stockaded redoubt.

Unloading the “Pandora” all day. Order sent out to Captain Young to commence taking boats two and a half miles higher up the River Matawin, to a point where the road touches the river, and to erect a shanty to provide covering from the sun for stores.

The first horse yet lost died to-day, about two miles from camp, from the excessive heat, on his way in.

Divine service parade at 9-30 A.M., the chaplain officiating. Order sent out for one of the two companies now at the Kaministiquia river to go on to the Matawin, in order to help Captain Young in taking up boats and stores. Weather very hot. The ground twice burst out, smouldering and flaming close to camp, and if not seen and put out would have got into the commissariat marquees.

Friday, June 17th, 1870.

S.S. “Arctic” sailed at daylight. 16 wagons, 4 bullock-carts, 3 bullock wagons sent to Matawin.

In hospital—		
	Officers.	Men.
1st Bn. 60th	.. ..	5
1st Ontario	.. ..	7
2nd Quebec	.. ..	3
Total	.. ..	15
Land Transport Corps—		
	Horses.	
Present	.. ..	49
On duty	.. ..	51
Sick, &c.	.. ..	29
		129

Arrival of schooner “Pandora.”

Saturday, June 18th, 1870. 20 wagons sent to Matawin. One horse died to-day.

In hospital—		
	Men.	
1st Bn. 60th Rifles..	6	
1st Ontario ..	6	
2nd Quebec ..	4	
Total ..	16	
Land Transport Corps—		
	Horses.	
Present ..	22	
On duty ..	50	
Sick, &c. ..	56	
Total ..	128	

Sunday, June 19th, 1870.

In hospital—		
	Men.	
1st Bn. 60th	.. ..	6
1st Ontario ..	.. ..	6
2nd Quebec ..	.. ..	4
Total ..	.. ..	16
Of these 7 are venereal.		

"Algoma" arrived about 3:30 p.m. Sent off letters by her, and copy of the Journal up to date. Letters from Officers Commanding 1st and 2nd Regiments of Militia on the subject of the new boats, with Colonel Wolseley's remarks thereon, forwarded to Military Secretary, also letter from Lieutenant Heneage, Royal Engineers, desiring to be allowed to remain Paymaster to his detachment.

19th June, 1870.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expedition.

The Deputy Quartermaster-General for the Lieutenant-General's information, and for transmission to the Quartermaster-General of the Army.

(Copy) J. E. THACKWELL,
Acting Deputy Quartermaster-General.

Land Transport Corps—			Horses.	11 wagons sent to Matawin.
Present .. ..	..	..	44	
On duty .. ..	..	..	30	
Sick, or required shoeing			62	
			136	
Including 4 teams arrived per "Algoma," and hired by the day.				

Colonel Wolseley inspected the 1st Ontario Rifles at 7 A.M., and expressed himself well pleased with the manner in which the Regiment turned out. The wagons were loaded at 4:30 A.M. on account of the heat of the weather, and despatched by 6 o'clock.

Parade state of 1st Ontario Rifles this day is entered.

The new arrangement about transport came into effect to-day. Wagons go 13 miles, and fresh relays of horses there take them on 14 miles farther, to the Matawin Bridge. The empty wagons are brought back next morning to the "Halfway Home," and taken into camp by the same horses that bring out the loaded wagons. Thus each team takes a loaded wagon 13 miles, and brings back an empty one each day. Two chestnut horses dangerously ill, reported that the teamsters had been "racing" home. Weather cool and delightful. Pleasant sea-breeze. Boats sent off up the river.

Colonel Wolseley inspected the 2nd Regiment Quebec Rifles (5 companies) at 7 A.M. Tuesday, June 21st, 1870.

The men turned out clean and well, but presented a contrast to the 1st Ontario Rifles in their height and size, a great many of them being small, slight men, apparently quite unable to withstand the hardships which are before them. One of the chestnut horses died during the night. The Veterinary, Mr. Tozer, and his assistant, when sent for to see this horse, were both found to be drunk and incapable; Colonel Wolseley spoke to them this morning and discharged them both.

In hospital—				Monday, June 20th, 1870.
Officers. Men.				
60th .. ..	..	..	6	12 wagons with sup-
1st Ontario ..	..	1	6	plies sent to
2nd Quebec ..	..	..	6	Matawin.
			<hr/>	
			1 18	Boats sent up the river.

Land Transport Corps—			Horses.
Present .. ..	..	..	33
On duty .. ..	..	..	40
Sick, &c. .. ..	..	..	63
			163

In hospital—			
	Officers	Men.	7 wagons with supplies sent to Matawin.
60th .. ..	..	6	
1st Ontario ..	2	5	
2nd Quebec ..	..	6	One horse died to-day (No. 2).
	2	17	Arrival of S.S. "Arctic," 12:30 noon.
Land Transport Corps—			Marching-in state of detachment, per S.S. "Arctic."
		Horses.	
Present .. ..	..	33	

Land Transport Corps—			Horses.
Present .. ..	..	..	33
On duty .. ..	..	..	74
Sick, &c. .. ..	..	..	56
			163

Including 28 arrived to-day.

			Officers. Men.
2nd Quebec Rifles ..	7	97	
Attached, Staff, &c. ..	3	5	
Total	10	102	
Horses .. ..	..	..	28
Wagons .. ..	..	..	8
Teamsters .. ..	..	..	15

At 10 A.M. Colonel Wolseley started on horseback up the road intending to be away for three days. At 10:30 A.M. the steamship "Arctic" hove in sight, and anchored at 12:30. The last two companies of Quebec Rifles, under Major Irvine, together with Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General, Captain Nagle, and Mr. Myer also, came from the Sault, &c., &c. Wagons were got off with supplies at 4:30 A.M. Seven boats sent off by river. Stockaded redoubt progressing. Parties of Regulars and Militia commenced learning gun drill and signalling. Unloading "Arctic" all day. Weather fine, not too hot. The other chestnut horse better this evening.

Lieutenant-Colonel Bolton resumed his duties as Deputy-Assistant Adjutant-General from Captain Huyshe, who had been acting for him during his absence at the Sault. Wagons started off at 4:30 A.M., the new system appearing to work well. An additional party, 1 Captain, 1 Subaltern, 1 Serjeant, 1 Corporal, and 8 Privates from 1st Ontario Rifles, began a course of gun drill under Lieutenant Alleyne, Royal Artillery, in order to be able to take charge of the

Militia commenced learning
her fine, not too hot. The

6 boats sent off up
the river.

*Wednesday, June
22nd, 1870.*

In hospital—

	Officers.	Men.	
60th .. ..	.. ..	6	22 wagons with supplies sent to Matawin.
1st Ontario ..	.. 2	5	
2nd Quebec ..	.. ..	7	4 boats sent up the river.
Total .. ..	.. 2	18	

Land Transport Corps—			
Present	..	} Numbers omitted.	Horses.
On duty	..		
Sick, &c.	..		
Total	..	..	—

Thursday, June 23rd, In hospital—
1870.

		Officers.	Men.
1st Bn. 60th	..	..	7
1st Ontario	..	2	5
2nd Quebec	..	..	8
Total	..	2	20

Land Transport Corps—			
Present	..	..	52
On duty	..	..	53
Sick, &c.	..	..	58
Total	..	..	163

from Young's Landing to this new station on the river, where the Indians and soldiers could take them by boat to Oskondagee Creek ; from this latter place by road to the Dam Site, and from the Dam Site to the Lake Shebandowan by water.

Heavy thunderstorm about 2 P.M. Weather very hot and "muggy." Wagons started about 5 A.M.

Friday, June 24th, 1870.

In hospital—

		Officers.	Men.
1st Bn. 60th	..	..	7
1st Ontario	..	2	5
2nd Quebec	..	..	6
		2	18

Land Transport Corps—

Present	..	} Numbers omitted.	Horses.
On duty	..		
Sick, &c	..		

of which the road passes, it is evident that fires have raged over the country for years past. Some of these brûlès are extensive, others only a few acres. The road to the Kaministiquia river, 22 miles, passes at first over a succession of sandy hills, with here and there an intervening bit of swamp. The best portions of the road are through these swamps, for, as they have been well ditched and fascined, they are hard and dry. For about the last four miles before reaching the Kaministiquia river, the road passes over hills of red clay, which are very sticky and become quite impassable after heavy rain ; in dry weather they are hard and good. Between the Kaministiquia and Matawin rivers the road is very hilly and altogether through a red clay district, all thoroughly burnt over and clear of wood in every direction. Much of this distance, nearly five miles, the road is cut out along the side of these hills, the outer slope being faced with crib work as a retaining wall. The bridge over the Kaministiquia is 320 feet long and 18 feet broad, supported on eight piers of crib work filled with stones. The bridge over the Matawin is constructed in a similar manner, being 216 feet long and 18 feet broad, and supported on five piers. No truss is used with either ; there are four stringers 16 inches deep in each bridge, supported by two sets of corbels, or "balance stringers" as they are called in this country. These bridges are built to carry a load of 50 tons.

After crossing the Matawin river the road enters a densely wooded country of small trees, which extends to the Oskondagee Creek (Pitch-pine Creek). For the first three miles the road is corduroyed almost the whole way, and is good, but is only 10 feet wide, and the trees have only been cut for that width, so that the sun cannot get to it to dry it. Beyond these are many places where for one or two miles the road is good, but at many places spots are reached which are, even in fine weather, practically impassable for wagons ; that is, although a few wagons can get over them, no horse transport in the world could stand having to get over such places ; the horses would be knocked up in a few days. The distance from the Matawin to the Oskondagee is about 11 miles. Colonel Wolseley states that in his opinion it could not be fit for practical use before three weeks, certainly not with gangs now on it. Beyond the Oskondagee (which is 75 feet wide*) the road runs through a burnt district as far as the dam site, with here and there a strip of soft green wood, all small however. There is but little swamp in this district, and it promises to be a good portion of the road. It is not intended to cut or make the road any further on at present, as everything will be embarked there except the men, a foot path

guns, &c., should they be left at Fort Garry on the return of the Regular Troops to Canada.

Stockaded party as usual. Hot wind set in suddenly about 4 P.M., and thermometer sprung up from 78°, to 86°. Thunder storms all round, but no rain fell in camp.

Colonel Wolseley returned at 10 A.M., having ridden from the Matawin Bridge (27 miles) this morning. He sent over immediately to Fort William to Mr. McIntyre to get Indians to take up some boats next day. Ten Indians were promised, and a company of 60th warned to embark at 6 A.M. to-morrow. Order sent to Captain Buller and party to remain at the Matawin Bridge until the arrival of their company. Colonel Wolseley wrote to Mr. Dawson yesterday, requesting him to commence at once cutting a branch road of one mile, from the main road to the river at a point about four miles from the Matawin Bridge ; also to put all his strength of workmen on this mile, and on the five miles from Oskondagee Creek to the Dam Site, as it was his (Colonel Wolseley's) intention to send all stores by ox teams

Captain Dundas and 60 men and officers of 1st Battalion 60th Rifles got away at 7.15 A.M. in boats for Fort William ; they were, as usual, towed by the tug to Point de Meuron, 10 miles up the Kaministiquia. 26 wagons sent off this morning at 6 o'clock by a new arrangement, enabling the men and horses to have their morning meal before starting. Colonel Wolseley, on his return yesterday from Captain Ward's Camp, three miles in advance of the Oskondagee Creek, wrote the following report of the condition in which he found the road. From Prince Arthur's Landing to the Matawin Bridge, 27 miles, the road runs through a partially open country, the woods having been burnt over many times along that district ; from the appearance of these brûlès (burnt clearances), through a succession

* Crossed by a wooden bridge supported on trestles.

will be cleared for them to the lake. The arrangement settled by Colonel Wolseley for the transport of stores is as follows :

From Prince Arthur's Landing to the bridge over the Matawin river, by horse teams; from thence to a point two miles further along the road to "Young's Landing," where the river leaves the road, by boats; thence for two miles up the road, and one mile along a branch road now being cut to the river, by ox teams; thence up the river to Oskondagee Creek, by boats; thence to the dam site, by ox teams; thence to the Shebandowan Lake up the river, in flat-bottomed boats.

By Colonel Wolseley's order Assistant-Controller Irvine went on board the steamship "Arctic," to endeavour to come to some arrangement with the captain, she being no longer required for the military service; but the captain said he had no power even to treat with the British Government, the bargain having been made with her owners. He declined altogether to make any compromise whatever.

"The boats were 9 in number and are mentioned as arranged in order according to merit for capacity, durability, and speed: 2 white-bottomed, clinker-built, marked R. Abbott; 2 large carvel-built; 2 small ditto; 2 grey inside, clinker-built, marked T. S.; 1 clinker built at Barrie.

Précis of Captain Buller's letter, dated Matawin, 23rd June, 1870.

"The carvel are undoubtedly the strongest, but their weight renders them liable to rough treatment in portaging. The voyageurs employed, mostly French from 'Three Rivers,' were skilful but lazy, and refuse to work on Sundays, and during week days would only work between 7 A.M. and 6 P.M., for which hours they declared themselves as hired by agreement.*

"The voyageurs and guides were also wasteful of the provisions,† not being restricted to any particular amount.

"The carvel built boats have no well-holes, and therefore carry a large quantity of water which it is impossible to bale out. A large quantity of the cargo consisted of flour in barrels, the hoops of which not being nailed on came off during the rough usage they received in portaging. The axes supplied as camp equipage are so blunt as to be useless.‡

"The boats quitted Fort William on the 14th, and reached Matawin at 11 A.M. the 23rd. Thus leaving out Sunday 19th, the boats were over eight days on the journey, and passed over eight portages of the length altogether of two miles, two furlongs, and sixty yards, in a distance of about 46 miles. The clinker-built (Barrie) boat was much strained and injured. The men were constantly wet from being in the water, and have not apparently suffered in health in consequence."

One company of the 60th Rifles under Captain Northey, strength as per margin (not stated), left camp at 3 A.M. by road, with orders to halt the first night at the 13 miles shanty, and reach the Matawin in four marches.

At 4 A.M. a fine chestnut horse died in great pain; this horse is supposed to have been over driven. Twenty-eight teams left the camp along the road. It came on to rain at 7 a.m., and has continued to rain nearly all day. The tug steamer "Okoura" was discharged to-day. In the afternoon orders were sent to Captain Northey to use his own discretion as to continuing his march in the present state of the weather, at the same time rations for his company were sent to him. Orders to the same effect were sent to the Officer in Command of the party at the Kaministiquia Bridge. Assistant Surgeon Shaw was directed to remain at Matawin.

In hospital—		
	Officers.	Men.
1st Bn. 60th ..	..	7
1st Ontario ..	2	7
2nd Quebec ..	..	5
	2	19

Land Transport Corps—		
Men present ..	..	56
" up the road ..	..	56
Horses fit to work ..	..	50
" up the road ..	..	59
" sick ..	..	54
Bullocks up the road ..	..	36

In consequence of the rain which continued all day on Saturday, no teams were sent along the road to-day. Divine service was held in the Head-Quarter Camp at 9.30 for Protestant worship, and for the Roman Catholics in the Camp of the 2nd Quebec Rifles. A party of one Officer and 15 rank and file from each battalion of Militia, with 25 voyageurs, started at 2 P.M. in nine boats for the Kaministiquia river. The day turned out very fine. The road was reported as much softened by yesterday's rain. Fog on the lake more or less all day. The steamship "Chicora" arrived at 8 P.M.

Sunday, June 26th, 1870.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

The Deputy Quartermaster-General in Canada, for transmission to the Quartermaster-General of the Army.

* Mr. Dawson says this is not the case, they are hired to work any time required.—W. B.

† The provisions in question are Mr. Dawson's, not ours.—W. B.

‡ Axes are ordered to be sharpened in future.—W. B.

One cart with provisions sent to overtake Captain Northey and his Company on the road.

LAND TRANSPORT.				
Daily Evening State.				
	Teamsters.	Bullocks.	Horses.	
Present fit for duty ...	62	...	68	
Absent on duty ...	53	36	71	
Sick, or requiring to be shod ...	2	...	41	
Absent without leave ...	...	...	...

The steamship "Chicora" which arrived at 8 P.M. on the 26th, brought 18 horses and 11 teamsters, and a quantity of hay and oats and some stores. She landed these things by means of her own crew, and sailed at 8 A.M. on the 27th. Six men of the Militia were sent away in her as unfit for military service from various causes, and one man of the 2nd Quebec Rifles was dismissed as an incorrigible character.

PRINCE ARTHUR'S LANDING.				
Church Parade State.				
		Officers.	Men.	
On Parade, 60th Rifles ...	{ Protestants ...	6	48	
	{ Roman Catholics ...	...	10	
" 1st Ontario ...	{ Protestants ...	23	252	
	{ Roman Catholics ...	...	14	
" 2nd Quebec ...	{ Protestants ...	11	144	
	{ Roman Catholics ...	13	120	

Monday, June 27th, 1870.

Sick in hospital—			
	Officers.	Men.	
60th Rifles ..	..	5	
1st Ontario Rifles ..	2	6	
2nd Quebec Rifles ..	..	4	
Total ..	2	15	

The "Chicora" steamed away from Fort William about 8 A.M. with a mail. Twenty wagons were sent up the road to the 13-mile shanty.

The slaughter-house, which was on the shore between the two camps was pulled down and ordered to be reconstructed on the shore of a bay about 600 yards on and from the right flank of our camp. A small stream of clear water running into the lake underneath it.

LAND TRANSPORT CORPS.				
Evening State, 27th June.				
	Teamsters.	Bullocks.	Horses.	
Present fit for duty ...	66	...	56	
Absent on duty ...	56	36	61	
Sick, or requiring to be shod ...	1	...	62	
Total Strength ...	123	36	179	

Tuesday, June 28th, 1870.

The new slaughter-house was continued building. A path or narrow road was ordered to be constructed through the dense bush to the new slaughter-house, and was commenced by a fatigue party at 10 A.M., of 1 officer and 30 men.

Steamship "Arctic" sailed, being discharged from our service at 2:30 A.M.

Red River steam-boat, or launch, tried in the afternoon, and found to answer; goes about 9 miles per hour, with 75 lbs. to the square inch, but will not answer well for towing.

Twenty-seven wagons were sent up the road to the 13-mile shanty, three of these went through to Matawin.

Two wagons and 4 teamsters came down from Matawin.

Very cool during the night, a great change from the heat of yesterday.

The steamer "Algoma" arrived during the night with Lieut.-General the Honourable James Lindsay on board.

The Lieutenant-General landed at

Lieutenant-Colonel McNeill, V.C., proceeded by the road *en route* to take up his place at Lake Shebandowan.

Deputy-Assistant Commissary-General Meyer also proceeded up the road to be with Colonel McNeill. A good deal of surf on the beach, the wind blowing strong from the east and north-east.

The road to the new slaughter-house is getting on well, 50 men felling trees and grubbing roots on it to-day. One horse died at Matawin, date not known at present, also one bullock reported dead. Thunder storm with heavy rain.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Force.

For transmission to the Quartermaster-General of the Army.

(Copy) J. E. THACKWELL, Colonel,
Acting Deputy Quartermaster-General.

Wednesday, June 29th, 1870.

Sick in hospital—			
	Officers.	Men.	
60th Rifles ..	..	6	
1st Ontario Rifles ..	1	6	
2nd Quebec Rifles ..	..	4	
Total ..	1	16	

CAPTAIN HUYSHE, who had been sent up to survey the road, in a letter dated 27th *Tuesday, June 28th, 1870.* June, writes,—“That the heat was very great indeed, too hot to march after early morning. “The men coming up the River in the boats spoke highly of the ‘clinker-built.’”

Captain Buller, in a letter bearing date 27th, writes—“That bags of pork answered “well, being far more easily carried than barrels. Stuff was going up the river quickly. “Captain Young intended to visit and inspect the branch road immediately. Captain “Calderon’s Company had passed through, and that Captain Northey’s Company was at “the Kaministiquia Bridge, also that the two damaged boats had been repaired.”

The road along the beach to the new slaughter-house was continued in the early *Wednesday, June 29th, 1870.* morning, but the weather changed, a thunder storm came on, and it rained heavily all day, the wind being in the east. The road was reported during the afternoon as terribly cut up. In the afternoon General Lindsay and Colonel Wolseley went to Fort William; the weather became so bad that they could not return to camp. The rain continued, with thunder and lightning, in a way seldom seen out of the tropics. A letter was received this afternoon from Captain Young, dated 28th June, in which he writes, that, “He had “visited the newly-cut branch road, and found it “to be about 1½ mile; it had been cleared up for “¼ mile. Mr. Dawson’s people expect it to be “clear by the 29th instant, but no doubt the very “bad weather has stopped the work. One part of “the main road, two miles this side of where the “branch road turns down to the left, was very bad indeed, and the ox-teams found great “difficulty in getting through; but two gangs of Mr. Dawson’s men were at work on it “there. He (Captain Young), as Colonel Wolseley had ordered, would visit the place “again on Friday, 1st July, and would report result. He had taken up 400 barrels of pork “to the place called Young’s Landing, and the shed there, he says, was nearly full. The “injuries done to the two boats had been repaired, and would have been at work again, “except that he was delayed by Captain Huyshe, who had written to him from the “Kaministiquia that six boats under Mr. Laboucheire had reached the bridge of the “Kaministiquia, and that the Indians had left them there and returned to Fort William, “and also that three boats with Mr. McNab had left the Kaministiquia for that place, “and desired him to try and get the Indians who accompanied Mr. McNab to go back to “the Kaministiquia and help to take up the six boats with some of his men. He “accordingly saw these Indians when they arrived there, which they did about 6 p.m., and “next day the Indians, accompanied by some of his men, were to return to the Kamini- “stiquia Bridge to bring up Mr. Laboucheire’s boats under Captain Buller; and he was “taking another party to clear a tracking path along the River between where he was and “the Kaministiquia Bridge, so as to assist all boats sent for the future by same route, it is “difficult, but would be far easier if a tracking path were made. Mr. Dawson’s agent was “assisting him with six good axe-men. The river was in good order. They took up “that day 130 barrels, and directly the other boats were up, they would continue sending “up stuff.”

The ground was too wet to-day for the men to work at the road through the bush *Thursday, 30th June, 1870.* along the shore to the new slaughter-house.

Lieutenant-General Lindsay inspected the 2nd Quebec Rifle Militia at 10 a.m., and *No wagons sent up the road with supplies, on account of the frightfully bad weather. Friday, 1st July, 1870.* the 1st Ontario at 2 p.m.

Two companies of the 1st Ontario Rifles left camp at 4 a.m. No. 1 Company to one mile short of the Matawin Bridge; No. 2 to the 6-mile creek. Road reported very bad. Lieutenant-General Lindsay, Colonel Wolseley, Captain Gascoigne, A.D.C., and Colonel McNeill, proceeded up the road, the latter to be eventually stationed at Lake Shebandowan. A party of 1 officer (Captain Amyott) and 34 rank and file of the Quebec Rifles started in 8 boats for the Kaministiquia River at 2 p.m. without arms and accoutrements, they were short handed with regard to voyagers.

A company of the 1st Ontario Rifles marched at 4:30 a.m. for a station 17 miles off to work on the road, which was reported to be drying fast. Weather fine, but cool and pleasant. Roads drying-up fast. Orders received from Colonel Wolseley from the Matawin Bridge, for the Headquarters of the 60th to march on July 3rd for the Matawin; for the 1st Ontario Rifles to march on July 4th for the Kaministiquia Bridge; and for the Head-quarters and Staff to move forward on the

Sick in hospital—

	Officers.	Men.
1st Bn. 60th .. ..	..	6
1st Ontario	1	6
2nd Quebec .. ..	..	4
Total	1	16

LAND TRANSPORT.

	Teamsters.	Bullocks.	Horses.	34 wagons to the 13 mile shanty.
Present fit for duty	49	...	21	
Absent on duty	68	35	93	
Sick, or requiring to be shod	3	...	63	
Prisoners	2	...	...
Total Strength	122	35	177	

LAND TRANSPORT.

	Teamsters.	Bullocks.	Horses.
Present fit for duty	45	...	53
Absent on duty	76	35	96
Sick, or requiring to be shod	3	...	38
Prisoners	2	...	...
Total Strength	126	35	187

No wagons with supplies sent up, road too bad. 7 wagons for baggage of detachment. 8 boats started up the river.

Saturday, 2nd July, 1870.

LAND TRANSPORT.

	Teamsters.	Bullocks.	Horses.
Present fit for duty	45	...	46
Absent on duty	77	35	106
Sick, or requiring to be shod	3	...	35
Prisoners	2	...	...
Total strength	126	35	187

No wagons sent up with supplies, road still very bad. 4 wagons with forage.

5th. Colonel Wolseley received to-day the following letter from Mr. Simpson, of Sault St. Marie, Member of Parliament for the Algoma District:—

My Dear Sir, “Fort Francis, 21st June, 1870.
“A canoe arrived here yesterday from Fort William with provisions for the Indians, and the men who brought them up will leave to-morrow morning on their return trip. I am sorry to say they left the tea and tobacco at the Matawin station, and I am quite out of these two articles; however I have explained to the Indians the cause, and they are satisfied. There are here now about 1,500 Indians, men, women, and children, encamped at the Fort. I held a council yesterday, and to-day the Indians held one, and one to choose their chiefs. I expect to be able to settle with them, and to get them all away before you arrive. They are staying as there are no sturgeon in the river. They are a difficult people to deal with, there is so much palaver among them that one does not well know what they want. They seem to be anxious to sell their lands, but I have only authority to treat with them for the right of way. All this I can explain much better when we meet. They have no objection to the troops going through to Red River. No news from that quarter which can be relied on. We expect a canoe from Fort Alexander in a few days, and I intend to come and meet you as soon as I can get through with the treaty, when I hope to be able to give you good news from the Settlement. I have had no letters from Fort William since the 31st May, so I am quite in the dark as to your movements. I shall be very glad to see you all safely here. This is a most miserable ill-kept post; and I have been living on sturgeon, choke-dog, and boiled bear and porcupine. You will soon have an experience of it yourself.”

Extract from a letter received from Captain Hayshe, dated 9 P.M. 30th June, Kaministiquia Bridge. “Incessant heavy rain and thunder storms for the last two days. A small bridge two miles this side of the Matawin carried away, and the road so flooded as to be impassible. Two small bridges between the Kaministiquia River and Strawberry Creek carried away, and about 100 yards of the road flooded. The train of wagons was caught between these two bridges, and the wagons had to be left on the road, and the horses taken round the hills. The bridge over Sunshine Creek was carried away, and that over Strawberry Creek very nearly sharing the same fate, the water being within six inches of the centre arch. The big bridges over the rivers Matawin and Kaministiquia were in some danger, the latter especially, being only saved by the exertions of Captain Nagle and his teamsters, who worked at it all day clearing away the drift wood which had blocked up five out of the nine of its arches. One of the centre piers sunk about one foot, and the roadway of the bridge itself parted from the corbels with a loud report. No great damage done to the bridge itself. A gang of eighteen of Mr. Dawson’s men came down from the Matawin, and were to commence repairing the two small bridges next day. Communications re-opened with the Matawin. Weather clearing up.”

Annexed are copies of a Proclamation issued by Colonel Wolseley, and letters to Bishops Taché and Macrea, at Red River. These letters were intrusted to Mr. Donald Smith, in English and in French, to be forwarded to Fort Garry.

Sunday,
July 3rd, 1870.

Divine service at the usual hours. The Head-Quarters of the 60th under Colonel Fielden marched at 3 A.M. for the Matawin, there to be stationed till further orders. Day cloudy but fine, occasional showers. The Lieutenant-General and Colonel Wolseley returned to camp in the evening, having left the Matawin Bridge in a canoe at 6 A.M. The river was still very much swollen, although it is falling rapidly. At the Kaministiquia Bridge they found Captain Harchmer, 1st Militia, with his brigade of boats, and Captain Dundas, 60th Rifles, with his Company and a brigade of boats a few miles lower down, both had been greatly delayed by the excess of water in the river, which had become so deep that it was difficult to pole, and as the boats were flooded tracking was extremely difficult and laborious. At the Kakabeka Falls they passed Captain Macklein’s brigade, they were engaged then in getting their boats over the portage; four had already been taken up above the falls. The Indians had in the morning refused to work, as it was Sunday; Captain Macklein very properly told them they should have nothing to eat unless they worked, which soon brought them to their senses. Captain McCalmont, 9th Lancers, had gone up as a volunteer with this party, having been placed in charge of a boat’s crew by Colonel Wolseley; he was working hard pulling his boat over the steep incline (120 feet high) when General Lindsay passed. Below that, near the Parresseux Rapids, they passed another brigade of boats under Captain Amyott, 2nd Militia; they were encamped, having done nothing all the morning owing to the man in charge (a drunken fellow named McNabb) having told Captain Amyott that they always halted on Sundays. Colonel Wolseley ordered them to strike camp at once and go on.			
In general hospital—			
	Officers. Men.		
1st Bn. 60th	..	..	4
1st Ontario	..	1	7
2nd Quebec	..	..	3
Total	..	1	14
Land Transport—			
	Horses. Oxen.		
Present	..	32	..
On duty	..	119	35
Sick	..	36	..
Total	..	187	35

No wagons with supplies sent up road, road so bad. 4 wagons with hay, 5 wagons with Head-Quarters 1st Bn. 60th.

The steamer, “Chicora,” arrived at 6:30 P.M., bringing some voyageurs and boats, also seven breast straps for horses, to be used on horses that were collar galled. Colonel Wolseley had asked for the straps, &c., &c., necessary for converting twenty sets of double collar harness into breast draught harness. Harness upon that system is very common in the States, and is much used in the province of Ontario. The Lieutenant-General being

absent from Montreal when Colonel Wolseley's application reached that place accounts, perhaps, for its not being attended to, as up to this date it has been the only application for any stores or for any assistance that has not been attended to. Instead of having the means of changing twenty sets of double harness from collar to breast draught, we have only been supplied with the means of changing seven sets of single harness from collar to breast draught, as we never use carts except when we have no wagons to spare, this addition to our transport material is of very little service to us. Twenty sets of breast straps suitable for double harness would have enabled us to use 40 horses daily more than we are now doing, for we have that number of horses on the sick list who are incapacitated from work owing to galled shoulders, but who are in other respects in good working condition. This is a subject well worthy of being remembered in the future whenever it may be necessary to equip a horse transport service; I should say at least 20 per cent. of the harness provided should be fitted for breast draught. By such means no horses need ever be on the sick list from galled shoulders, for if due care is taken immediately that a shoulder shows signs of injury, the collar should be replaced by the breast straps, and *vice versa*. The seven breast straps sent us from Montreal are those used in Field Batteries for the non-commissioned officers' horses, they are only intended to assist gun teams over difficult ground, but are quite unfit for heavy draught. For a short spurt they would do well to help a team along, but when used with horses drawing continuously, they can be of little service even when used singly in shafts.

Colonel Wolseley found the roads in a very bad state, General Lindsay was surprised to find it, even in the *finished* portions so very deep and unsuited for military purposes. Every stream had become swollen, carrying away the superstructure of small bridges and culverts. The bridge over Strawberry Creek had a narrow escape, and was saved by the exertions of some teamsters who chanced to be near it. The large bridge over the Kaministiquia River was saved as described in Captain Huyshe's letter given in yesterday's journal. The Matawin Bridge was for some time in much danger, also on Thursday, 30th June. That over Sunshine Creek was entirely washed away. That over Oskondagee Creek was nearly destroyed, it is built on three trestles, the centre one of which had drifted about 2 feet down stream and was only saved by having ropes fastened to it securing it to trees on the banks. The detachment of ten men stationed there as a guard over the stores worked all night in clearing away drift wood from the trestles and in piling up quantities of large stones upon the superstructure. The water there rose 6 feet 6 inches within a few hours. General Lindsay went to the Dam Site on horseback yesterday, the horse had to be swam over Sunshine Creek. The road between the Matawin and the Oskondagee is not worthy of the name of road. It is with difficulty and much danger that even single horsemen can get over parts of it. It is useless as a means of supplying an Army in the field, or even supplying the small numbers composing this force.

The new cut from the main road to the river, which Colonel Wolseley requested Mr. Dawson to make on the 22nd June, is now in progress, and will be open for wagons on the 6th or 7th provided the weather is at all favourable.

Colonel Wolseley ordered Captain Buller's company of 60th from the Matawin to assist in its construction. Captain Calderon's company of that regiment have been working at it for some days past. Both were ordered to work all through Sunday at it.

At the Oskondagee there is now a considerable amount of pork and biscuit brought up over the bad road by our bullock wagons.

Captains Northey and Ward, with their companies, were encamped on rising ground about 3 miles beyond the Oskondagee. The former had been ordered to the Dam Site, but was deterred from proceeding further by the difficulties of the road. There is a small creek about 3,000 yards beyond their camps, over which a bridge was completed yesterday (2nd), 900 yards beyond it again is another creek, and about 600 yards beyond it again is the point where the troops are to embark. The last mile is still in a most unfinished condition, but the ground is good, and there is no danger of the operations being stopped by it.

The really bad and impracticable portion of the road is between where the new cut leaves the road to the bridge over the Oskondagee.

The Lieutenant-General went in a canoe from the point of embarkation to Shebandowan Lake. There were violent thunder storms all day, but not much rain.

General Lindsay saw Mr. Dawson at the end of the road and asked him, as a favour, to take off all his men from that useless portion of the road and put on all his strength to the road between Young's Landing and the river by the new cut, and upon the portion of it beyond the Oskondagee. Mr. Dawson said he would do so. He made a similar promise to Colonel Wolseley on the 23rd June and only partially fulfilled it; it is to be hoped that he will this time be more exact in carrying out this arrangement.

The Lieutenant-General and Aide-de-Camp embarked at 8 A.M. on board of "Chicora." A guard of honour was furnished by 2nd Militia, the men turned out remarkably well, very clean, belts polished and tidy.

The Head-Quarters 1st Militia, under Lieutenant-Colonel Jarvis, left at 4.30 A.M. for the Kaministiquia Bridge to go there in two marches. The turn out was very bad. They were ordered to march at 3 A.M. All the fault of the officers, who, instead of looking after their men, were busy strapping up their portmanteaus and attending to their own luggage.

Monday,
July 4th, 1870.

In general hospital—		Officers. Men.	
1st Bn. 60th	.. ..	4	
1st Ontario	.. ..	1	11
2nd Quebec	.. ..	4	
Total	.. ..	1	19

During the day, Major Macleod and some Militia and voyageurs left Prince Arthur's Landing with two brigades of boats, fifteen in number, to ascend the River Kaministiquia.

Morning fine, very showery in the evening.

Colonel Wolseley went over to Fort William to pay a farewell visit to Mr. McIntyre, who had been very useful, civil, and obliging. At 6 P.M. Colonel Wolseley inspected the camp of the 2nd Militia, about to be left in garrison at Prince Arthur's Landing under command of Captain De Bellefeuille.

No supplies went up since Wednesday last until to-day.

Colonel Wolseley and his head-quarters moved from Prince Arthur's Landing to the camp on the Matawin River, 27 miles. Colonel Wolseley started at 5 A.M. on horseback, and on his arrival there, got a fresh horse and went up the road, accompanied by Colonel Fielden, as far as the end of "Brown's Lane," where the branch road meets the river. On

his return he ordered a working party of 50 men of the 60th to go about 3 miles up the road the next morning; also 90 barrels of pork to be sent up to the end of "Brown's Lane," where Captain Young, with 6 Indians and 21 men, was to try to get them up the river to the Oskondagee Creek, using only three boats. On his way up from the Bay Colonel Wolseley ordered a company of the 1st Ontario Militia to work at the 6 mile creek to move on 4 miles further; and two companies of the same battalion to move next day from the Kaministiquia Bridge to the Oskondagee Creek.

Very wet weather. Rained hard in almost incessant showers the greater part of the day. The road is now in a worse state than it has ever been in before, dreadfully cut up, and nothing but dry weather can make it any better.

Colonel Wolseley sent an order for two companies of the 2nd Militia to move forward on the 7th instant, at 4 A.M. to the Matawin Bridge in two marches, and for the head-quarters and remainder of that battalion to march two hours afterwards (the same day) for Strawberry Creek, there to work on the road. He then rode out and showed the working party of the 60th where they were to work. At noon he rode off again, accompanied by Colonel Fielden, to Browne's Lane to see Captain Young off with the three boats and 90 barrels of pork *en route* to the Oskondagee.

Two companies 1st Ontario passed through about 7 A.M. on their way from the Kaministiquia to the Oskondagee. In consequence of the move to-morrow of the 2nd battalion of Militia, Assistant Controller Irvine sent down an order for the wagons leaving the Bay to-day to be unloaded at the 13-mile shanty, and to return empty to the Bay; stores to be piled up on the roadside till they can be fetched.

On Colonel Wolseley's return from Calderon's Landing he reported that Captain Young had embarked 70 barrels of pork in his three boats, besides three days' rations. Captain Buller was ordered to go up the river the next day with his company, and Captain Calderon also—the former in the morning, the latter in the afternoon.

The day was fine and cool, not too hot; the first day without any rain that we have had for a long time.

An order was sent, per Assistant-Surgeon Shaw, to Captain Dundas, 60th Rifles, to

move on up the river to-morrow morning with his company, taking as many boats as he could man, and as much pork, and to leave the stuff at the Oskondagee Creek, returning to Calderon's Landing with as few boats as possible.

Colonel Wolseley rode down the road to the Kaministiquia Bridge and Strawberry Creek, giving an order to Captain Cook, 1st Ontario Rifles, to move on his company this evening to the Matawin, and an order to Lieutenant-Colonel Jarvis to move with his Head-Quarters to the same place to-morrow morning.

The 1st Ontario Rifles sent in a complaint about the insufficiency of the ration of meat issued to them, and requesting an increase; but Colonel Wolseley declined to do so, having found it ample enough for all the other working parties.

Weather very fine, the road drying up in consequence. The sun yesterday and to-day has baked the road into the consistency of a brick. All working parties on the road are now employed in corduroying, regardless of the symmetry of the work, so that they may get over a great deal in a day. Colonel Wolseley having ordered them to give up all heavy work in the way of ditching, cuttings, embankments, &c., and confine themselves solely to the work required to make the road passable for wagons for the next three weeks. After we have all passed over it, Mr. Dawson can do whatever he likes with it, and he will have all the autumn for his work.

Between the Matawin and Kaministiquia Bridges it is difficult at some spots to obtain good timber for corduroy work as it has been so denuded of trees by successive fires, that the few left still standing are mostly half burned through. The timber generally in this section of the country is very poor; no hard wood of any sort; pitch pine, spruce,

Tuesday,
July 5th, 1870.

In hospital—		Officers. Men.	
1st Bn. 60th	..	..	3
1st Ontario	..	1	11
2nd Quebec	..	..	3
Total	..	1	17

Wednesday,
July 6th, 1870.

Land Transport—		Horses. Bullocks.	
Present	..	30	16
Absent on duty	..	20	10
Sick, &c.	..	9	8
Total	..	59	34
Employed in the morning moving stores to Browne's Lane and the Oskondagee.			

Thursday,
July 7th, 1870.

Land Transport—		Horses. Bullocks.	
Present	..	36	16
Absent on duty	..	20	10
Sick, &c.	..	11	8
Total	..	67*	34

The remainder are at Thunder Bay.

* Employed in moving stores from Matawin to Browne's Lane.

tamarack, and a few of the other common pines, together with a good sprinkling of poplar.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Camp, Matawin Bridge, 7th July. 1870.

For transmission to the Quartermaster-General of the Army, Horse Guards.

(Copy) J. E. THACKWELL, Colonel,
Acting Deputy Quartermaster-General.

RETURN of Drill, Nationality, and Religion of 1st and 2nd Regiments of Militia,
23rd June, 1870.

	1st Bn.	2nd Bn.
1. Drill—		
1. Number of men who have never been drilled	8	28
2. Number of men who, although drilled in the regular or some foreign service, have never drilled in the Volunteer Militia ..	25	45
	33	73
2. Nationality—		
1. English	79	74
2. Irish	29	52
3. Scotch	32	21
4. Born in Canada of—		
(a) English parents	55	61
(b) Irish parents	65	20
(c) Scotch parents	45	15
	165	96
5. Born of English-speaking Canadian parents	40	21
6. Born of French Canadian parents	3	77
7. Foreigners, but naturalized British subjects	3	3
8. British subjects, but of foreign parents	4	18
	355	362
3. Religion—		
1. Protestant	330	236
2. Roman Catholics	25	126
	355	362
4. Discharged—		
1. Number of men who, having been attested, have been discharged through illness or physical unfitness	3	23

Forwarded, (Signed) JAMES F. MACLEOD,
(Signed) R. J. FIELDEN, Colonel. Assist. Brigade Major.

Copy of Proclamation in French as forwarded per Mr. Donald Smith to Fort Garry.

Au Peuple Loyal de Manitoba,

LE Gouvernement de Sa Majesté la Reine d'Angleterre ayant pris la résolution de mettre en garnison quelques régiments dans le territoire de Manitoba, j'ai été instruit par le Lieutenant-General Commandant des Provinces Britanniques de l'Amérique du Nord de conduire la Force sous mes ordres à Fort Garry.

Nous vous apportons la paix, et le seul objet de cette expédition c'est de faire voir l'autorité de Sa Majesté la Reine.

Des Cours de Justice, telles qui existent dans toutes les autres Provinces de l'Empire seront établies.

La Justice se montre sans partialité envers aucune classe ou aucune race, les sauvages, et les métis loyaux étant aussi chers à Sa Majesté que tous ses autres sujets.

Les soldats j'ai l'honneur de commander ne représentent point de parti ni de religion ni de politique, et ils sont venus exprès pour protéger la vie et les biens de tous sans distinction de race ou de culte.

L'ordre et la discipline la plus rigide sera maintenu dans leurs pays et la personelle de tous les habitants ne sera sujet à aucun danger.

Tout ce que les habitants fournissent aux troupes leur sera payé.

Si quelque habitant aura cause de se plaindre de la conduite d'aucune individu appartenant à cette brigade; il n'aura qu'à constater le fait devant ainsi pour obtenir de la justice.

Chaque sujet loyal de la Reine est prié avec instance de m'aider accomplir le but ci-dessus cité.

(Signé) G. J. WOLSELEY, Colonel.

} Subsequently omitted.

COPY of Proclamation and Letters.

To the Loyal Inhabitants of Manitoba,

Her Majesty's Government having determined upon stationing some troops amongst you, I have been instructed by the Lieutenant-General Commanding in British North America to proceed to Fort Garry with the force under my command.

Our mission is one of peace, and the sole object of the expedition is to secure Her Majesty's sovereign authority.

Subsequently
omitted. { Courts of Law such as are common to every portion of Her Majesty's Empire will be
duly established, and justice will be impartially administered to all races and all classes.

The loyal Indians or half breeds being as dear to our Queen as any others of Her loyal subjects.

The force which I have the honour of commanding will enter your province representing no party either in religion or politics, and will afford equal protection to the lives and property of all races and of all creeds.

The strictest order and discipline will be maintained, and private property will be carefully respected. All supplies furnished by the inhabitants to the troops will be duly paid for. Should anyone consider himself injured by any individual belonging to the force, his grievance shall be promptly enquired into.

All loyal people are earnestly invited to aid me in carrying out the above-mentioned objects.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Force.

Prince Arthur's Landing,
Thunder Bay, 30th June, 1870.

(Also copy sent to Mr. Donald Smith.)

COPY.

My Lord,

Prince Arthur's Landing, Thunder Bay, 30th June, 1870.

ENCLOSED I have the honour to forward you the copy of a Proclamation in English and in French, to which I have the honour to request your Lordship will be good enough to give the utmost publicity in the several parishes under your Episcopal care.

Similar copies have been forwarded to the Officer representing the Hudson Bay Company at Fort Garry and to Bishop Taché.

I have, &c.
(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

To the Bishop Taché and McCrea,
Red River Settlement.

(Also copy to Mr. Donald Smith.)

Sir,

Prince Arthur's Landing, Thunder Bay, 30th May, 1870.

WITH reference to the Proclamation which I have forwarded to you in a letter of this date, I have the honour to inform you that I am most anxious that steps should be immediately taken for opening out a cart road from the end of Mr. Snow's road to the north-west corner of the Lake of the Woods.

It is not necessary that the road should be of a permanent character, as it will only be required this year for military purposes, hereafter it could be enlarged and made fit for commercial traffic, but now a corduroy track over the swamps wide enough and strong enough for the passage of lightly-laden Red River carts would answer our purposes.

Mr. Dawson, who represents the Public Works Department here, will forward more fully detailed instructions regarding the construction of the road required; and will authorize you to appoint a surveyor to superintend and direct the work and to make the necessary disbursements.

I have to request that you will kindly render the gentleman you employ upon this service every possible assistance while so employed.

I have, &c.
(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

To the Officer in Charge of
Hudson Bay Company's Stores, Fort Garry.

(Also copy to Mr. Donald Smith.)

Prince Arthur's Landing, Thunder Bay, 30th June, 1870.

I HAVE the honour to request that you will have the goodness to make the enclosed Proclamation as public as possible in the Province of Manitoba. I send it to you in English and in French.

I am forwarding by the messenger who will carry this, similar copies to the Protestant and Roman Catholic Bishops, requesting them also to make it known in parishes under their care.

I have, &c.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force,

To the Officer in Charge
Hudson Bay Company, Fort Garry.

My Lord,

Prince Arthur's Landing, Thunder Bay, 30th June, 1870.

I HAVE written to-day to the officer representing the Hudson Bay Company at Fort Garry, referring to a letter to him of this day's date from Mr. Dawson of the Public Works Department, in which he has been requested to take immediate steps for opening out a road between the north-west corner of the Lake of the Woods and the termination of Mr. Snow's road, and whereby he has been authorized to expend money for that purpose.

I have begged him to render every assistance in his power in obtaining the labour and funds required for this service, I have the honour to request your Lordship's earnest co-operation in doing so, and being aware of the anxiety of your people to welcome us amongst them, I am led to hope that they will avail themselves of the opportunity for proving the sincerity of their wishes.

I have, &c.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

The Bishops Taché and McCrea,
Fort Garry.

Dear Mr. Smith,

Prince Arthur's Landing, Thunder Bay, 30th June, 1870.

I SEND you herewith letters for the officer representing the Hudson Bay Company at Fort Garry, and for the Protestant and Roman Catholic Bishops in the province of Manitoba, which you kindly promised to have sent to their destination from some point near the Red River settlement whilst *en route* for Norway House.

I send for your private information copies of all the letters enclosed in their several covers addressed to those gentlemen, and also a copy of the proclamation which I have asked for them to make public in settlement.

You will see that I am writing to your officer (as I told you I intended doing) upon the subject of the road to the north-west corner of the Lake of the Woods, I am most anxious that a practicable cart road should be opened out to that point, and as I know that you take a sincere interest in everything affecting the success of this expedition, I do not hesitate to ask you to take whatever steps you may consider advisable towards furthering the object I have in view as regards the construction of this road; it might, perhaps, be possible to get the Indians from Fort Francis to assist in the work by beginning from the Lake of the Woods' end of the proposed road, 50 men with axes could do much towards cutting and clearing out trees for a few miles back westward from the lake. Any expense in doing so will be paid by the Government.

Wishing you a pleasant journey, and thanking you for all the valuable assistance I have received from Mr. McIntyre, who has been of such service to us in getting our boats forward towards Shebandowan Lake, believe me,

Very truly, &c.

(Signed) G. J. WOLSELEY, Colonel.

Donald Smith, Esq., &c., &c.

ALTHOUGH the days are warm, sometimes oppressively so, the thermometer standing *Friday, July 8th, 1870.* over 90° (Fah.) in the shade, the nights are cold, sometimes so cold that the men sleep in their great-coats. The Head-Quarters 1st Battalion 60th Rifles, moved to Calderon's Bridge. *Camp Matawin*

Landing, the 1st Militia taken their places, and the 2nd Militia replacing the 1st at the Kaministiquia Bridge.

In general hospital—			Men.
1st Bn. 60th	..	2	
1st Ontario ..	..	7	
2nd Quebec ..	..	7	
Total ..	..	16	

Land Transport Corps—			Horses.
Present ..	..	65	
Absent on duty ..	..	101	
Sick, &c. ..	..	19	
Total ..	..	185	

35 bullocks.
3 wagons with stores
to Matawin.

If a Major arrives, having been sent by the Lieutenant-General to command at that post, he will be brought on here and posted at Fort Francis, for which command Major Robertson had been nominated.

Colonel Wolseley rode to the Oskondagee to see after affairs there, and to find out how the river transport was getting on; up to 4 p.m. but one boat had reached that place; its cargo had been left on the bank of the river a few miles down, as she had swung round in a rapid and been injured; she leaked a good deal, but can be easily repaired, —she is clinker built; a carver-built boat had had a hole knocked in her bottom, and was abandoned, she can easily be repaired however, she will be taken back to Calderon's Landing for that purpose. The loads put in the boats were too heavy, for although there was plenty of water, the rapids

are so strong at places, that heavily laden boats require skilled men to manage them, 10 barrels only will be placed in them for the future whilst making this trip.

Colonel Wolseley found that much progress had been made with the stables at the Oskondagee, and the road between that bridge and the Dam Site was in fair working order: at the Dam Site he found that a footpath had just been cut from our camp there to the place on the lake where our stores are to be collected.

Mr. Dawson has again placed strong gangs on the road between the new cut and the Oskondagee, the new cut being now in fair working order. The road, in consequence of the last few days of fine weather, is much better than when Colonel Wolseley last went over it.

There have been two men of the 2nd Militia tried for striking Non-Commissioned Officers, one which was the most serious case has been sent to the gaol at the Sault for four months, the other man having been drunk when he committed the crime, and having been provoked by the Corporal whom he struck, has been let off by Colonel Wolseley; the Court-Martial had sentenced him to 90 days imprisonment, and had strongly recommended him to mercy.

Heavy showers in the evening.

The Head-Quarters of the 60th removed to Calderon's Landing, the 1st Militia taking their place at the Matawin, and the 2nd replacing the 1st at the Kaministiquia Bridge.

Fine day but warm, very cold last night, barometer showing signs of falling, but no rain, thermometer stood at 95° (Fah.) in the tents at 2 p.m. Colonel Wolseley rode up the road in the afternoon and saw Mr. Fraser, 60th Rifles, the first arrival of the party that started with provisions from Calderon's Landing to the Oskondagee Creek. Letter received this evening from Captain Young, who reports that the river (from the junction of the Matawin and Shebandowan rivers up to Oskondagee Creek) is a succession of falls and rapids; that one boat was damaged by a trunk of a tree floating down with the strong current and striking her on the port quarter, stoving her in so badly that he was obliged to take out her load and leave it (and the boat) on the bank; that his (Captain Young's) boat was so heavily laden (27 barrels of pork) that she was obliged to be occasionally dragged over coarse gravel to the great injury of her bottom; that the river is so hard to get up that he suggests putting only six or eight barrels in each boat; that he started on Wednesday evening 6th instant, and arrived at the Oskondagee on Friday 8th; and that he marched back to Calderon's Landing by the

Land Transport Corps—			Horses.	Bullocks.
Present ..	4	..		
Absent on duty ..	159	35		
Sick, &c. ..	22	..		
Total ..	185	35		

22 wagons sent with R.A. & R.E.
4 wagons sent with supplies.

Saturday,
July 9th, 1870.

Précis of Capt. Young's
letter, describing his
journey in boats from
Calderon's Landing to
the Oskondagee.

End of précis of Capt.
Young's letter.

Sunday,
July 10th, 1870.

road, fearing to risk the boats down stream, owing to the strength of the current. In the evening, an order was sent to the Head-Quarters 2nd Militia, to march tomorrow at 4 p.m. on the Matawin River.

Major McLeod and party arrived with their boats in good order from the trip up the Kaministiquia River.

Divine service was held in the camp at 7 a.m., the Rev. Stewart Patterson officiating. Lieutenant-Colonel Bolton and Detachment Royal Artillery and Royal Engineers marched in at 10 a.m., having come from Prince Arthur's Landing in two marches, and were encamped at "Sunshine Creek" about three-quarters of a mile further up the road.

Lieutenant-Colonel Casault and Head-Quarters 2nd Militia, marched in from the Kaministiquia River, arriving about 5:30 p.m. Letter received from Captain Dundas, 60th Rifles, from Calderon's Landing, in which he reports that he "had taken 5 boats up the Oskondagee Creek in two days, working from 5 a.m. to 9 p.m.," that his boats were too heavily laden (18 barrels of pork), that one load was completely destroyed, having caught by the stern on a rock, swung round, hurled over, and taken the whole force of the current over her gunwale, which broke her to pieces in an instant, "that three voyageurs who were in her at the time were saved, but one of them "with great difficulty," that the cargo of this boat was lost, and everything in it except the

Land Transport Corps—			Horses.
Present ..	..	163	
Absent on duty ..	..	22	
Total ..	..	185	

Précis of Capt. Dun-
das's report of journey
from Calderon's Land-
ing to the Oskondagee.

2 wagons sent to Matawin.

men's waterproof sheets and blankets, which were picked up by the boats in rear; that he was obliged to leave the cargo of one boat behind, owing to the very shallow water near the Oskondagee Creek, but went back and fetched it, and that he marched back to Calderon's Landing fearing to risk the boats down the rapids.

Mr. Dawson arrived in the evening and had an interview with Colonel Wolseley, who requested him to hand him over 100 voyageurs for the purpose of taking stuff up the river from Calderon's Landing to the Oskondagee Creek; Mr. Dawson promised to do so the next day.

Weather cloudy and cool threatening rain, but none fell. A pleasant day.

Rained heavily during the night, and until 2 P.M. very heavy thunderstorm, with lightning and thunder, such as is seldom seen out of the tropics. Captain Calderon, 60th Rifles, reported that he had taken up five boats with 92 half barrels of pork, without injury, to the Oskondagee Creek. His report as to the state of the river and the proper cargoes for boats agreed with the reports of Captains Dundas and Young.

The detachments Royal Artillery and Royal Engineers, marched this morning for Ward's Camp at the Dam Site; they arrived at the Oskondagee at 1 P.M.

Major McLeod, with 60 men and 3 officers, 1st Militia, marched off at 7 A.M. to Calderon's Landing to take boats and stuff up the river to the creek.

The rain during the night made the roads bad again. A working party of the 1st Militia went up the road about three miles in the afternoon to work at some bad places.

Colonel Wolseley received a letter from Major Robertson, enclosing a medical certificate from the doctor at Thunder Bay, saying that he must return to Canada.

He will be ordered to Montreal to report himself to the Deputy Adjutant-General for the purpose of appearing before a medical board there.

Frequent showers during the night and morning, but roads very bad again, especially that between Brown's Corner and the Oskondagee Creek, which is reported by the teamsters and others to be almost impassable, nothing but the body of a wagon being visible above the ground, the wheels completely buried in the mud.

Orders sent to Colonel Fielden to move on with the 60th Rifles from Calderon's Landing to the Dam Site, going by boats as far as the Oskandagee Creek. The move of the head-quarters camp put off for another day, partly on account of the state of the roads.

Transport going on satisfactorily by water between Calderon's Landing and the Oskondagee, stores being taken up by the 60th Rifles; Captain Peebles, at Calderon's Landing in charge of the stores and doing duty as Commissary.

No rain to-day, fine clear weather, roads drying up rapidly. Two working parties from the 1st and 2nd Militia Regiments sent out to work on the road about a mile beyond Young's Landing. No wagons sent up beyond "Brown's Corner," owing to the state of the road.

Mr. Dawson passed through this afternoon on the way to Thunder Bay to collect guides, some of the Indians from the mission who were engaged in that capacity having returned to their homes, tired of the work they are now doing.

Mails from "Chicora" arrived, as also Captain Wallace, 60th Rifles.

Colonel Wolseley and Head-Quarter Staff moved on to-day to the camp at the Dam Site, about 17½ miles further up the road, starting at 4 A.M.; found roads drying up, but the so-called road between "Brown's Corner" and the Oskondagee Creek still very bad, in many places almost impassable, and for a few miles nothing but a track through the woods, unditched, un-corduoyed, with stumps of trees and boulders of rock still in the middle of the "road."

Lieutenant-Colonel Jarvis, 1st Ontario Rifles, marched at 5 A.M. from the Matawin to Calderon's Landing (6¼ miles) to replace the 60th Rifles, who moved up by companies in boats with stores to the Oskondagee.

Colonel Fielden, 60th Rifles, and Captain Dundas's Company, arrived at the Dam Site in the evening.

Colonel Wolseley went up to the camp at "McNeill Bay" on Lake Shebandowan by water; found the camp pitched on the edge of the lake on a very pretty spot, with a little sandy beach in front.

The Royal Artillery and Royal Engineers, with the guns and ammunition, &c., encamped at a little distance by themselves, and the boats (22 in number) drawn up with their noses on the beach of a little land-locked bay about half a mile above the camp.

A beautiful day, clear and bright, not too hot.

The following is the text of a letter written by Colonel Wolseley to Mr. Dawson, on the subject of the voyageurs.

End of précis of Capt. Dundas's report.

Monday, July 11th, 1870. Camp on the Matawin River.

Land Transport Corps—		Horses.
Present fit for duty ..	26	
Absent on duty ..	135	
Sick, &c. ..	24	
		185

Tuesday, July 12th, 1870. Camp on the Matawin.

In general hospital, Thunder Bay—		Officers.	Men.
1st Bn. 60th ..	1	3	
1st Ontario ..	..	7	
2nd Quebec ..	1	5	
		2	15

Major Robertson, 60th, dysentery; Captain De Bellefeuille, 2nd Quebec, diarrhoea.

Wednesday, July 13th, 1870.

In general hospital—		Officers.	Men.
1st Bn. 60th ..	1	3	
1st Ontario ..	..	6	
2nd Quebec ..	1	6	
		2	15

Major Robertson, 60th, dysentery; Captain De Bellefeuille, 2nd Quebec, diarrhoea.

Thursday, July 14th, 1870. Camp on the Dam Site.

“ Amongst the many men hired as “voyageurs” it is to be presumed that a few will “ prove unfit for their work and useless in managing boats.
“ In order to deter such “soi-disant voyageurs” from attempting duties and “ responsibilities of which they are ignorant, it must be clearly explained to all that orders “ have been given to the Officers Commanding Brigades of boats to leave behind on the “ first portage they come to any men employed as voyageurs whom they find to be “ incapable of managing boats skilfully. It is not enough that a man can pull an oar, we “ have a sufficient number of soldiers for that purpose. It is said on all sides that many “ men unused to boats have enlisted as voyageurs, hoping to work their passage to Red “ River by their manual labour at the oar. It is better that such men should at once “ understand that they positively will not be allowed to embark with the troops. Only “ two classes of men can be allowed in the boats, viz., the soldiers constituting the Red “ River Force and the skilled voyageurs capable of managing boats and of instructing the “ soldiers how to do so.”

Friday,
July 15th, 1870.

The remaining companies of the 60th Rifles, except one, arrived in camp from Calderon’s Landing, Captain Young’s Company going on in the afternoon to Lake Shebandowan to be in readiness to embark next day. Weather fine and bright till towards evening, when it clouded over with wind from the east, and about 10.30 P.M. commenced one of the most awful storms of thunder and lightning, accompanied with torrents of rain, that is possible to conceive, fortunately there was no wind, so the tents were not prostrated.

Mr. Dawson arrived from Thunder Bay, and reported that a fresh detachment of Iroquois Indians, 29 in number, had come from the neighbourhood of Montreal, having been collected and brought up by one of their own tribe without any directions from Mr. Dawson to that effect, a most unheard-of piece of energy on the part of an Indian. Preparations going forward actively for the despatch to-morrow of the first detachment of troops. Everything will be ready for them on our part, but Mr. Dawson’s arrangements regarding oars, row-locks, sails, &c., are not quite so much to be depended upon.

Saturday,
July 16th, 1870.

The storm continued for some time last night, and then subsided into a drizzling rain ; towards morning the wind changed, and by 7 A.M. we had fine bright sunshine, with a strong wind from the west blowing right down the lake and in the teeth of the boats, which will have hard work to row against it.

Captain Calderon’s Company, 60th Rifles, arrived at 3 P.M., so that there are now no regulars below this place ; 4 carts were hauled up from the camp to the lake this morning by men of the 60th Rifles, the distance is 3½ miles, and the track (for it is nothing more) had to be widened, and the carts dragged over by main strength.

Royal Art. and Royal
Eng., 2 officers, 38 men ;
1st Bn. 60th Rifles,
9 officers, 101 men ;
34 voyageurs and a
guide ; in 17 boats.

In the afternoon Colonel Wolsley walked up to the camp on Lake Shebandowan, and personally superintended the despatch of the first detachment of troops in the boats ; Colonel Feilden, 60th Rifles, went in command of the whole party, with an Indian from the Mission near Fort William as a guide. The troops, strength as per margin, went in 17 boats, constituting 3 Brigades, — A, B, and C ; “A” Brigade, Captain Young’s Company, 60th Rifles, in 6 boats, with two voyageurs in each boat ; “B” Brigade, Captain Ward’s Company, in 6 boats, with ditto ; “C” Brigade Royal Artillery and Royal Engineers, under Lieutenants Alleyne and Heneage, in 5 boats, with ditto. It was 9 P.M., nearly dark, before they got off, owing to the strong wind which had been blowing all day making a heavy surf on the shore, preventing the loading of the boats ; and also to delays in the equipment of the boats, the men having to make their own masts and spars and rig them themselves ; as nearly as possible 60 days’ provision were taken in each boat for all its crew, including the voyageurs, counting officers and voyageurs, each boat had 10 or 11 persons in it.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Expeditionary Force.

Captain Ward’s Landing, near Shebandowan Lake,
Saturday evening, 16th July, 1870.

Forwarded for the information of the Lieutenant-General Commanding in British North America, and for transmission to the Quartermaster-General of the Army, Horse Guards, London.

(Signed) G. W.

Sunday,
July 17th, 1870.

As about to embark.

LIEUTENANT DENISON left the camp at 3 A.M. with letters and despatches, to catch the steamer at Thunder Bay. Colonel Wolsley had great difficulty in getting the Iroquois Indians to work to-day, they saying that they were not engaged to work on Sundays, which was their only day for washing. Their scruples were overcome by the promise of an extra day’s pay for the extra day’s work ; situated as the force now is, it is completely at the mercy of these Indians, nothing can be taken up the rapids between this camp and the lake without

60TH RIFLES—DISTRIBUTION.			
Com- pany.	Name of Captain.	N.-C. Officers, Rank, and File.	Station.
A	Dundas	50	Dam Site.
B	Wallace	50	Do.
C	Buller	50	Do.
D	Northy	50	Do.
F	Young	51	Shebandowan Lake.
G	Ward	49	Do.
H	Calderon	49	En route to Dam Site.

their assistance, and when they have made three trips they consider that they have done a day's work, no matter what the time of day may be. They are however capital men, and very civil. Their "boss," old Iquace, was one of Sir George Simpson's men, and also accompanied Dr. Rae on his Arctic Exploration. He has grey eyes, a great rarity amongst the Indians.

By dint of working hard, enough provisions were got up to enable two more Brigades to start, viz.: D and E Brigades, Captains Buller and Dundas, 60th Rifles. It was late before the last Brigade got off, and even then they had to go without voyageurs or a guide. The former were ready and the latter was not forthcoming at all,—a piece of bad management on the part of Mr. Dawson. These two Brigades were ordered to go as far as the first portage at the end of Lake Shebandowan, get over it and wait on the other side for their guide and voyageurs. The day was magnificent, fine and bright and not too hot, no sign of rain, barometer very high. The troops here and at the lake are now getting fresh bread and meat. The meat is killed at the Oskondagee Creek and sent up daily. The bread is baked in camp at one of the field ovens. This oven was in use for nearly seven weeks at Prince Arthur's Landing, and has been just established here. To-day this one oven, worked by only two men, turned out 470 rations of bread in 1½ lb. loaves in 12 hours. An order was sent to Colonel Casault, 2nd Militia, to send up two companies for duty here and at the lake.

Another fine day, but too hot, the roads are now in better condition than ever they have been in this season. A third detachment of boats, F Brigade, Captain Northey's Company, was despatched to-day, accompanied by Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General. They started at 6 p.m., 60 days' rations embarked with them.

Major Irving and 2 Companies, 2nd Militia, marched in from the Matawin. One Company was sent on up to the lake, the other kept here. A Company of the 1st Militia also marched in from the Oskondagee, and was encamped here.

The remaining two Companies of the 60th Rifles were ordered to strike their tents and move up to the lake, but their baggage and camp equipage could not be taken up the river in consequence of the refusal of the Iroquois to work any more that day, and so their departure had to be postponed until to-morrow. Colonel Wolseley received a note from Colonel Feilden, dated this morning, from the Shebandowan Portage, saying they had "left" their camping ground at 4.30 A.M., and reached the portage at 9 A.M., breakfasted and "then carried the stuff over the portage. It was tremendous work, hauling the boats on "skids was nothing, but it is carrying the barrels of pork and flour that tells on the "men, owing to the number of times they have to go backwards and forwards." He said that "the Royal Artillery and Royal Engineers are much behind," owing doubtless to the quantity of ammunition they have.

The amount of work performed by the respective corps upon the road is as per margin, the Paymaster of the 60th Rifles having left, the return of that Regiment is only made up from the date of his departure, he having taken his accounts with him.

Another fine day, but very hot. Two Companies of the 60th Rifles marched on to the lake to be in readiness for embarkation, but only one (Captain Wallace's) was despatched owing to the difficulty in procuring the boat equipments, rowlocks, sails, &c.; during the day the wind changed to the east, and the barometer fell rapidly, and at 11 P.M. commenced another fearful thunderstorm, with torrents of rain, which lasted for some hours, and then subsided into drizzling rain. These thunderstorms recur with unpleasant regularity, and form a decided "feature" of the climate.

Major Wainwright and 2 Companies of 1st Ontario Rifles arrived in camp from Calderon's Landing.

A cloudy day with drizzling rain, which cleared up during the morning and passed into heavy showers and thunderstorms; a regular gale of wind from the west all day swept down the whole length of the lake (Shebandowan), raising a heavy swell, which fell into McNeill's Bay with such fury that it was quite impossible to load the boats, consequently no Brigade was sent off to-day, but had they been despatched they could have made no headway against the wind. A number of Iroquois arrived to-day and were immediately set to work to bring boats and stores up the rapids. The Indians find the difference between the Regulars and Militia in the boats, the latter do not work as well as the former, and are inept to "chaff" the Indians, a proceeding which has been strictly forbidden by Colonel Wolseley.

Two Companies of the 1st Militia marched in from below. Orders sent to Colonel Jarvis to halt at the River Oskondagee till further orders.

Towards evening the wind moderated, and a detachment might have been sent off had there been any rowlocks for the boats, but the absence of these most necessary articles prevented it.

Major Wainwright and 2 Companies 1st Militia marched to the Lake this morning to be in readiness for embarkation.

Captain Calderon, with H Brigade (6 boats), started this morning at 8 A.M. All the Regulars have now left.

Departure of 2nd Det. from Lake Shebandowan, D & E Brigade 60th Rifles, 7 officers, 100 non-commissioned officers, rank and file, 13 boats, 26 voyageurs and 1 guide; 60 days' rations for everyone are embarked.

Monday, July 18th, 1870. Camp at Ward's Landing, the Dam Site. Departure of 3rd Det. F Brigade, 60th Rifles, 3 officers, 49 non-commissioned officers, rank and file, 6 boats, 12 voyageurs, and 1 guide.

	No. of days' work done.		
	Ser-jennts.	Cor-porals.	Pri-vates.
60th Rifles, from 25th June to 16th July, including both days ...	122½	99	1,276
1st Militia, from 5th June to 15th July ...	135½	150	1,244
2nd Militia, from 9th June to 16th July ...	99	67	774½

Tuesday, July 19th, 1870. Departure of 4th Det., G Brigade, 3 officers, 50 non-commissioned officers and privates of 60th, and 8 men Army Hospital Corps and Army Service Corps, and 2 Control officers, in 7 boats, with 14 voyageurs and 1 guide.

Wednesday, July 20th, 1870. Camp Ward's Land-ing.

Thursday July 21st, 1870. Number of horses employed in the expedition, 146. Number of horses originally sent, 150, of which 4 have died.

Number of farmers' horses now doing duty, 28.
Number of farmers' horses sent back to Collingwood, 14.

- II Brigade—
4 officers, 48 non-commissioned officers and rank and file, 12 voyageurs and 1 guide in 6 boats, 60 days' rations for everyone embarked.
- I Brigade—
6 officers, 48 non-commissioned officers and rank and file, 12 voyageurs and 1 guide in 6 boats, with 60 days' rations for everyone embarked.

Camp, Ward's Landing.

Friday,
July 22nd, 1870.
Camp, Ward's Landing.

Another Brigade of boats might easily have been despatched this evening if we had had rowlocks enough. 1,000 were expected by the Algoma, but did not arrive; Mr. Dawson says they will certainly come by "Chicora," which is expected at Prince Arthur's Landing on Sunday morning. In the meantime Colonel Wolseley has had all the carpenters he could collect set to work at making wooden thowl pins, which are much better than iron ones, as they can be replaced in the woods when broken, whereas the iron ones are very liable to be lost or broken, and cannot be replaced after boats leave this. 100 per cent. spare ones are supplied to each Brigade of boats; and Colonel Wolseley has arranged for sending on a reserve supply to Fort Francis by Lieutenant-Colonel McNeill, who will start on the 31st instant. He has orders also to supply all Brigades he passes on the way, should they require any. Captain Huyshe and Lieutenant Denison, Orderly Officers to the Colonel Commanding, started at 5 p.m. in his gig. They will overtake Colonel Feilden before he reaches Fort Francis. Colonel Wolseley will do so also, and will proceed on in the gig when he does so, to that place.

Lovely morning, but with a strong wind from the east, which caused the barometer to fall considerably although there was no rain.

- 1 field officer, 2 staff sergeants,
2 staff officers, 8 sergeants,
2 captains, 8 corporals,
4 subalterns, 2 buglers,
82 privates—Total, 102.
- K Brigade, 1st Militia—
4 officers, 48 non-commissioned officers and men, 12 voyageurs, in 6 boats.
- L Brigade, 1st Militia—
3 officers, 48 non-commissioned officers and privates, 12 voyageurs, and 1 guide, in 6 boats.

An exact embarkation return of everything that has been sent forward up to this evening is forwarded by this mail, for the Quartermaster-General's information, through the Lieutenant-General Commanding in British North America.

Colonel Wolseley will start to-morrow in a light canoe, so as to overtake the leading detachment before it reaches Fort Francis. He will see two more Brigades off, M and N, before he leaves. That is $\frac{1}{4}$ of the whole force will have left before he starts; Lieutenant-Colonel McNeill, V.C., will see off the remaining $\frac{3}{4}$ next week.

Each Brigade has taken a certain amount of extra supplies, so that it is expected that when all have embarked, provisions to last the force up to 30th September will have left with it.

Arrangements have been made for the despatch of a mail to Fort Francis every 15 days.

The foregoing copy of a journal of events is forwarded to the Deputy Quartermaster-General in Canada, for the information of the Lieutenant-General Commanding, and for transmission to the Quartermaster-General of the Army, Horse Guards, London.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Camp, Ward's Landing,
23rd July, 1870.

Sir,
I HAVE the honour to forward for the Lieutenant-General's information the enclosed Embarkation Return of the troops that have left McNeill's Bay, Shebandowan Lake, up to last night, the 22nd instant. The detachments noted in the margin will leave this afternoon.

It blows so heavily from the west nearly every day, that there is sometimes much difficulty in loading the boats. I heard from Colonel Feilden on Monday, he was then successfully over the first portage.

- M Brigade—
1 Comp. 1st Militia.
- N Brigade—
1 Comp. 1st Militia.

I start myself to-day in a canoe, taking Assistant Controller Irvine with me, and hope to reach Portage Nu in time to accompany the first detachments into Fort Francis.

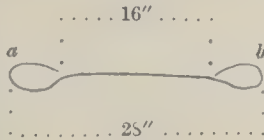
I forward to you with this letter a copy of my journal completed up to last night.

I have, &c.
(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

The Deputy Quartermaster-General,
Canada.

COLONEL WOLSELEY, accompanied by Assistant-Controller Irvine, started in a bark canoe from McNeill Bay, Shebandowan Lake, about 4:30 P.M. M and N Brigades, having two companies of 1st Militia on board, started to-day. Weather lovely. Colonel Wolseley encamped about nine miles down the lake, on the north shore, at a point where several of the brigades had encamped before. The place was covered with raspberries. All the north shore of Shebandowan Lake is devoid of trees, fires having evidently swept over it several times, at various intervals, for many years past. The blackened trunks of trees here and there, and sometimes in great quantities, standing up without branches, present the dreariest of aspects. There is but little soil anywhere, the bare rocks cropping up into view at all points; the woods on the south shore have been very little injured by fire, but their growth is small, bespeaking poverty of soil. All these Canadian lakes are like one another, so much so, that when there are many bays and islands, it is most difficult to find one's way about them; all points resemble one another so closely. This is unfortunate, as most of the brigades of boats are without guides, and the maps give one no idea whatever either of the shape of the lakes, or the islands in them. The only safe way of getting along is by compass; the maps are sufficiently good to enable one to do so with tolerable accuracy.

Colonel Wolseley started at 4:30, and at 7:45 A.M. reached the Kashabonne Portage, about 20 miles distant from McNeill's Bay. There was a great jam of men, &c., on the Portage, which is about 1,200 yards long. Two brigades can work at one time by dividing the distance into two parts. Thus a brigade arrives, and transports its material, provisions, and boats, to a point half way across: it then begins to move them on the other half of the distance, to the far end. The brigade immediately in rear working on the other half of the portage in moving its boats and stuff to the half way place. Two brigades were thus employed when Colonel Wolseley arrived, and two others were waiting their turn to begin. The jam was so great that Colonel Wolseley at once sent back ordering only one brigade of boats to be despatched per diem for a few days to come. The great stoppage originally arose in front, where Colonel Fielden's three brigades were greatly delayed by the Royal Artillery, who, in addition to their provisions, had two guns and a good quantity of ammunition and military equipment, which occupied much time in portaging. The portages were far from being finished, as we had been led to believe they should have been upon the arrival of the troops, so that Colonel Fielden's party were delayed by having to work upon them, cutting out wide roads and laying down skids as rollers for the boats to be dragged over upon. Carrying provisions over a portage is very severe labour. The common method with Indians and experienced voyageurs of doing so, is by means of a long ox-hide strap composed of three pieces; the centre one is 26 inches long, and 3½ inches wide, tapering off at each end to one inch in breadth, where it is joined by the two other portions, which are each 7 feet 4 inches long, and one inch wide at broadest, and ¾ inch wide at narrowest end. The narrow straps are sewn to the centre broad one, the whole forming thus a strap of 9 ft. 6 in. long. It is used thus: the long ends are fastened round the barrel or box to be carried in such a manner as to leave a loop where the centre broad part of the strap is, of just sufficient size to allow the head to pass through it, and the broad band placed against the forehead. In this way almost the whole strain is brought upon the backbone or vertebræ of the neck. Our half barrels of pork are the heaviest packages we have to carry; they weigh nearly 200 lbs. An experienced voyageur thinks nothing of it, but it takes a long time before the soldiers can carry one in this manner. After a few days our men soon begin to carry light loads, such as barrels of flour, or biscuit, in that manner. The common way, however, in which our men carry the heavy articles, such as pork and arm chests, is on a hand barrow, made with two small poles (which are easily cut anywhere in the woods) united by two pieces of rope, having loops at each end. The extreme length from *a* to *b* being 28 inches when the loops were pressed flat. The loops when pressed flat were 6 inches long. This was found to answer admirably, and to be better than any other of the methods recommended by others who had previously made journeys of this nature. To ease the weight of the barrels on the hands, the men usually fasten their portage straps to the poles, letting the broad part of the straps rest across their shoulders, much in the same way as the wooden yoke rests on the shoulders of a milkman in England, when carrying pails of milk, or as sedan chairs used to be carried in former times. This was found to be the easiest way of carrying the heavy pork barrels. Colonel Wolseley had these rope slings constructed before leaving Prince Arthur's Landing, for issue to each boat.



The boats are hauled over the portages on their keels, which are kept off the rocky ground by means of pieces of trees from 8 to 10 ft. long. The best trees for the purpose are the poplar, which happily abound in this arid soil, as their bark is so slippery that it is like hauling boats over greased rollers. Whatever trees are used, they should be green, and have smooth bark. At steep places it is necessary to keep these skids in their places by pegs driven into the ground alongside of them. Previous to the troops starting from Shebandowan Lake, Colonel Wolseley had requested Mr. Dawson to put some carts upon these first portages, and had handed over to his representative at Shebandowan Lake—Mr. Graham—10 of the military transport carts for that purpose. Four had arrived at the first portage when Colonel Wolseley arrived there, and were found to be of the greatest service, as the men can drag any weight with comparative ease, but carrying even light weights is much more fatiguing.

In opening out a portage, it is essential that the road made for the boats should be entirely distinct from that to be used by the men in carrying, for as there must be skids laid down for the boats, the labour of carrying is immensely increased by the exertion of having when heavily laden, to step over these skids. This is a most important point, and one not likely to strike those who have never had to portage a load themselves.

The manner in which the men are working is most satisfactory. The officers vie with their men as to who shall carry the heaviest load; the consequence is that all work with a will. The heat was very great upon this portage, which rendered the labour all the more fatiguing.

A canoe from Red River reached the portage at the same time that Colonel Wolseley did; in it were four men, two were Indians, one a half-breed, and the other a Canadian. They had letters for Colonel Wolseley, from Mr. Simpson and from Mr. Donald Smith, at Fort Francis, dated 11th July. All said to be quiet in Red River. These men were doubtless spies of Mr. Riel's, come to see what we were about and how we were getting on. They could not give any good account of themselves. However, there is no objection to their seeing everything they can. Colonel Wolseley has adopted measures for keeping them well in the rear of the Expedition until he reaches Fort Garry with the Regular troops.

Colonel Wolseley and party left the Kashabonne portage at 11:30, and reached the end of the lake of that name (which is 8 miles long) at 2 P.M.

Between Kashabonne Lake and Lac-des-Mille-Lacs lies the high land forming the watershed between the Hudson's Bay and the Gulf of St. Lawrence. Lac-des-Mille-Lacs discharging its waters into the former, and the Kashabonne Lake into the latter. The intervening space between these two lakes is about $2\frac{1}{2}$ miles in width. There are, however, two small ponds in it. Mr. Dawson's schemes, as detailed in his printed books, was to make a short portage into the eastern pond, launch our boats there, row across the pond with all our staff for $\frac{3}{4}$ mile, and thus make a portage of 1,100 yards into Lac-des-Mille-Lacs. Fortunately as the water was high we were able to make one portage of all the distance, by going up a small shallow creek into the western pond and landing at the far end of it, by which measure we had only one portage of about 1,900 yards long. This shallow creek was, however, so choked up with reeds that all the men had to get out of the boats into the water and pull the boats through. The portage was a very heavy one. Four companies were on it, two only could work at a time. We found that all the Iroquois with these companies refused to work because it was Sunday. Colonel Wolseley promised that they should be paid for Sundays when they worked, and Mr. Dawson coming up at the time was able to arrange matters with them, but not until most of the day had slipped by. They all said the same thing, that Mr. Dawson had employed them last year, and having promised them extra wages if they would work on Sundays, had not kept his word, and that they never received a farthing for doing so. They all stated that they were not hired to work on Sundays. Unfortunately we have had to depend throughout upon officials of the Canadian Government for many things in connection with this Expedition, and the only difficulties or hitches in the arrangements have been regarding these points and matters not exclusively military, or entirely under our control. The provision of guides and voyageurs come under this head; all the latter have been engaged by Mr. Dawson; so that we are even ignorant of the terms upon which they have been hired, and consequently Colonel Wolseley is not in a position to contradict any statement they make to him regarding their agreement.

Colonel Wolseley and party encamped for the night on the south shore of Lac-des-Mille-Lacs a few miles away from the portage. The weather was very fine, but too warm at midday to be pleasant for the excessive labour which portaging entails.

*Monday,
July 25th, 1870.*

Colonel Wolseley's canoe under weigh at 5:30 A.M., and reached Baril Portage at 1:15 P.M. Lac-des-Mille-Lacs should rather be called Lac-des-Mille-Iles, for the islands seem to be without number. They are unfortunately very much alike in appearance, so that it is difficult to find ones way about through them. The only safe way of doing so is to steer a course by the compass, for even the guides frequently lose themselves for a time. The scenery on this Lake is very pretty, everything is so green, as the fires which have devastated the shores of the Lakes behind have not touched those of this many-isled expanse of water. The shores, however, are quite unfit for settlement, as there is only a little surface soil and moss spreading over the underlying rocks which crop up and show themselves at every 100 yards. The timber is consequently very poor, nothing worth cutting for lumber purposes anywhere to be seen along our track. From the portage at the Height of Land to the Baril Portage the distance is estimated to be about 20 miles. Baril Portage

is 350 yards long, and has a high hill in the centre which increases the labour of carrying very much. The road cut for the boats, however, skirts the hill at an easy gradient. F Brigade (Captain Northey's Company, 60th Regiment) were on the portage when Colonel Wolseley arrived. Started again at 3.45 p.m. and halted for the night at the western extremity of Baril Lake (about 9 miles long), as the sun had set before the exact spot where the portage was could be found. A violent thunderstorm with heavy rain during the night. The day had been very fine. Thunderstorms come on in these regions most suddenly, and they are very heavy and violent whilst they last, but they quickly pass over.

Started at 6 a.m. to try and find the portage, we had only gone a short distance when F Brigade led by Mr. Dawson, who had a guide with him, came in sight. His guide at first wished to take the boats down a bay that Colonel Wolseley had explored the previous evening. Upon being assured that the portage was not there, it was determined to try a bay on the other side of the point, where the portage was found to be, at which all arrived at 7.30 a.m. *Tuesday,
July 26th, 1870.*

Brulé Portage is 500 yards long, but the boats were put into a little creek that runs between Baril and Windegoostiqu Lake at half that distance, although the provisions, &c., had to be carried the whole distance over the portage.

Embarked again at 9.45 a.m. and proceeded along a winding rushy stream into Windegoostiqu Lake, which is rather several small lakes connected by creeks. At 2.15 p.m. reached French Portage, which is 2 miles long, very hilly, and swampy.

A small winding stream connects Windegoostiqu with French Lake. At first as you leave the former lake the stream is shallow, rocky, and very rapid at places. About $\frac{3}{4}$ mile down it there are falls, around which we cut out a new portage, so as to avoid the long and very bad old one. The new portage is 440 yards long and very steep and rocky, indeed a bad one, but it is a good one compared with the old one, which would certainly have taken a brigade of boats three days to have got over. Below the portage the stream is deep, very narrow at places, and with such sharp turns that it was difficult to get the long boats round them. From the portage to French Lake the distance must be over 12 miles by this stream, although it is only two miles in a straight line. French Lake is very picturesque, being circular, and about $1\frac{1}{2}$ miles in diameter. It has a pretty island near its western side.

D and E Brigades (Captains Buller and Dundas, 60th Rifles) were on the portage all day getting their boats and stuff over. The day was lovely. The temperature on the western side of the watershed is much milder than to the eastward of it, and the farther west the Expedition goes, the more it descends, the level of French Lake being 150' lower than that of Lac-des-Mille-Lacs. On French Lake to-day a humming bird was seen for the first time. Great quantities of Labrador tea (*Tedoma Polustre*) grow about this part of the route. There are great quantities of leeches in all the shallow, rushy portions of the lake passed through.

Encamped at foot of old portage on eastern side of French Lake, where the ground is well adapted for the purpose. In former times when this portage was used as a great highway by the North-West Company, they kept carts on it, and there is still the remains of some old corduroy work to be seen in its worst swamps.

Everything ready for starting at 4 a.m., but at the last moment it was discovered that some things had been forgotten on the other side of the portage, which had to be sent back for. The consequence was that it was nearly 8 a.m. before the canoe got off. *Wednesday,
July 27th, 1870.*

A winding river of about two miles long, thick with reeds and water lilies in flower, leads into Koagassikak (Pickerel) Lake. A strong westerly wind prevented all further progress, as the water was so rough that the waves washed over the gunwale of the canoe. Colonel Wolseley's party had consequently to halt at 10 a.m. in a sheltered spot on the southern shore, and remain there until 3 p.m., when a fresh start was made, the wind having somewhat abated, and "Pine Portage" was reached at 7 p.m. It is a difficult spot to find. Some very fine pines stood upon the portage. Indeed some good timber was seen for the first time to-day in any considerable quantity. There are some fine pine trees on Koagassikak Lake.

It rained in the evening, but the day was fine.

Colonel Wolseley went back a considerable distance into Koagassikak Lake to blaze the trees at every point to show the way to the brigades in rear.

The lake is about 15 miles, and very pretty, although the character of its scenery is like that already passed over. Colonel Wolseley met D and E Brigades under sail. There was a mirage on the lake, making all objects appear more distant than they really were. These two brigades (12 boats) coming down under sail through the islands, which cover more than half the western end of the lake, presented a truly lovely picture that was charming to any one fond of scenic effect. "Pine Portage" is only 550 yards long, and is a good and easy one. Colonel Wolseley's canoe left it at 11.15 a.m. Paddling across a small lake of little more than a mile in extent, "Deux-Rivières Portage" is reached, working on which were A, B, and C Brigades under Colonel Feilden, 60th Rifles, consisting of two companies of the 60th and detachments of Royal Artillery and Royal Engineers. *Thursday,
July 28th, 1870.*

This portage is 750 yards long, very steep and bad, requiring a great deal of work to fit it for the transportation of boats. A party of Iroquois Indians (10 men) had been sent on ahead, and had opened the road and laid down some of the skids before Colonel Feilden arrived. Started again at 2.45 p.m. and went on until 3.15, when we halted and encamped.

Colonel Wolseley went back and blazed the way, which is very tortuous and not easy to find. There is a very shallow, rocky place in getting out of the little lake on the west side of Deux-Rivières Portage, of which the route is through a marshy creek, overgrown with reeds and lilies. The latter are of two sorts, one the common yellow one, the other the beautiful white one having a large flower. The day was very fine, but warm. Colonel Wolseley's gig, with its crew of soldiers and his orderly officers, Captain Huyshe and Lieutenant Denison, joined his camp this evening.

Friday,
July 29th, 1870.

A dense fog in the early morning, which did not clear off until 6 A.M., which delayed the party from starting. The route is very winding, and owing to the numerous long bays extending in every direction, it is very easy for any one not well acquainted with these lakes to go astray. Colonel Wolseley's party, in their canoe and gig, kept well ahead of Colonel Feilden's detachment all day, blazing trees at every point and turn of the route in such a manner that the marks can be seen at a considerable distance. Having this well done along the route saves a great amount of time to all those coming up afterwards, for when there is a doubt as to the true course, much valuable time is always lost, and no one likes to push on quickly when doing so may perhaps be leading them a long distance astray.

Sturgeon Lake is very pretty; it is about 16 miles long, and from $\frac{1}{4}$ to $1\frac{1}{2}$ miles broad. When about half-way down it at 11 A.M., a large north-west canoe came in sight, manned by Iroquois; in it were Mr. Pether and Mr. Simpson, M.P. The former has been living at Fort Francis since March last, having been sent there by the Ottawa Government to arrange with the Indians for the right of way for our troops through their country. He spent all the spring going about amongst the people informing them of our intention to move troops through this district in the summer, but confining himself strictly to this point, informing them that he had no instructions to treat with them for their land. Mr. Simpson was sent up subsequently to make a treaty with them, Mr. Pether having prepared the way.

Mr. Simpson reached Fort Francis about the 8th June, and found a large assembly of Indians there awaiting the arrival of the troops. He had numerous interviews with Chiefs and head men, who at one time debated the propriety of resisting by force of arms the passage of troops through their country. They gave that up after some time, it having been impressed upon them that to attempt to do so would be simply folly. The demand they made finally was, that every Indian belonging to this part of the world, man, woman, and child, should receive 10 dollars a-year from Government, besides a large present of pork, flour, tea, and tobacco to be given to them here collectively for a feast. Mr. Simpson told them that their demand was extravagant, if not preposterous, and that he would recommend them reducing it to 3 dollars a head, a proposition they would not listen to. They would not accept any of the presents of clothing Mr. Simpson had brought for their chief, and I believe that unless liberal terms are made with them next year, it will be impossible for individual settlers to pass through the route we have followed, or for Mr. Dawson's parties to work at any of the portages. These Indians say they are prepared to await the decision of Government until next year, but they will then expect to have a regular treaty made with them, such treaty to promise a perpetual stipend.

Our Government has always been injudicious in promising them perpetual annuities. The Yankees are much wiser, as they always make their treaties for a certain number of years, generally about thirty years. A large proportion of these Ojibeways live on American territory, in the neighbourhood of Vermillion Lake, who are now enjoying the benefits of a terminable treaty made with the Government at Washington. However, as affairs stand now, an understanding with these Indians has been come to, securing to our troops an unmolested passage through their country. This is a great matter, for although I do not believe it possible for them to combine as one nation in any great enterprise, yet this country is such a network of lakes, that even a hundred of these men knowing every island and every portage could inflict great loss upon regular troops whilst forcing their way through to Red River by this route. The natives all use small canoes, capable of holding three people, which one man or woman portages easily for long distances. To pursue them would, therefore, be out of the question. We halted for dinner on an island in Sturgeon Lake, being now joined by Messrs. Simpson and Pether. They brought letters from Mr. Donald Smith, the head of the Hudson's Bay Company in Canada, who had started from Shebandowan Lake on the 6th July, *en route* for Norway House with two large canoes, reaching Fort Francis on the night of the 10th, Rat Portage on the 14th, and Fort Alexander on the 16th of that month. He reports that we shall be able to get three or four head of cattle at the first-named place, one or two at the second, and about ten at the last-named place, which will be a great boon to the men after living so long upon salt pork. He says that some of Riel's scouts have been seen on one of the portages not far from Rat Portage, but that on being seen by the Hudson's Bay Company's men they made off quickly. The last news from Red River announces everything quiet, Riel still in possession of Fort Garry; the only serious information is to the effect that all the French half-breeds who had been employed by the Hudson's Bay Company to take up supplies from the settlement to the outlying posts of the Saskatchewan and Mackenzie Rivers had gone part of the way, and then refused to go any farther, returning to their homes near Fort Garry. It is possible that Riel may be at the bottom of all this, in order to keep up the number of his adherents.

Started again at 1 P.M., and soon reached the heavy rapids of Sturgeon River, about which we had heard such a gloomy account at Ottawa from those who professed to know them well. They are four in number and all close together. At the first we disembarked the men, when the boats were taken down by the Iroquois, one only being injured, which

was the only one taken down by the ordinary Canadian voyageurs. At the second rapid, cargoes as well as men had to be taken out and portaged over a distance of 100 yards, the boats being then run safely down by the Iroquois. The third and fourth rapids were run with men and cargoes in the boats, the Iroquois steering the boats. A party of Iroquois under the celebrated guide Iquace, was left there to do the same for all the succeeding detachments. Colonel Wolseley having nailed up a notice at the first rapid, that all Officers Commanding Brigades were to halt until Iquace arrived, should he be absent with other Brigades, and were to act precisely as he would tell them. It is possible that the water may fall a good deal; if so, it may become necessary to portage the boats as well as their cargoes. The day was bright and lovely; climate becoming more genial every day as we descend towards the Winnipeg basin. Encamped below rapids.

Party started at 5.5 A.M., and though there was a slight fog, soon run across Tanner's Lake, at the outlet of which there is a very bad rapid (Tanner's), where boats have to be unloaded and stuff portaged a distance of 175 yards, the empty boats in the existing state of the water are run, which is fortunate, as the approach to the portage is extremely shallow. Starting again at 7.30 A.M., and reached Island Portage at 8 A.M. It is only 90 yards long. All hands set to work to make a road for the boats and lay down the skids. Started again at noon. Encamped at 6.30 P.M. Lovely day.

*Saturday,
July 30th, 1870.*

Started at 5 A.M. We now leave the usual route which passes in a northerly direction from about the centre of Lac-de-Croix (or Nequaquon) for a distance of about 6 or 7 miles, and then bends at a right angle westerly, falling into the eastern extremity of Namekau Lake (spelt incorrectly in Mr. Dawson's maps, Nameakaw), along this old route there are two portages and two very dangerous rapids, where Mr. Smith's canoe was twice broken during his recent voyage, although manned by the best Iroquois.

*Sunday,
July 31st, 1870.*

The route we followed runs from the south-west extremity of Lac-de-Croix in a southern by easterly direction into Loon Lake for about 6 miles, then bends westerly at a right angle, and then by a northern by westerly course into Namekau Lake, having three short portages on it, and avoiding all rapids.

Reached the first portage at 8 A.M., it is 223 yards long. Breakfasted and set to work to cut open a wide road for the boats and prepare skids, &c., &c. It is surprising with what skill and rapidity the Indians and Canadian backwoodsmen cut down trees; those under 18 inches diameter seem to be swept down before their axes as if by magic. In addition to their skill in wielding the axe itself, they follow a regular system in cutting one down, instead of hacking at it all round as our inexperienced men do, they make a clean wedge-shaped cut into it, the end of the wedge being as near a right angle as possible. When they have thus cut about half-way through the thickness of the tree, a small nick cut on exactly the opposite side of the tree causes it to fall precisely in a line at right angles with the bottom of the first cut (*i.e.* the edge of the wedge), it is in this way they are able to cause any tree that is vertical, to fall in any required direction.

Before all the skids were laid, Colonel Fielden's detachment arrived, our party started and soon reached the 2nd portage, which is 340 yards in length. Set to work to open a road. There were several Indians on the portage when we arrived. They are all most importunate beggars; the women are much dirtier than the men, and except in extreme youth are most repulsive in appearance. They are covered with vermin, for which they are perpetually scratching and hunting. One of the old women met to-day seemed to be a very great age. We were told that some years ago, during a hard winter, she was one of a party that being in a starving condition had eaten human flesh.

Started again at 5.30 P.M. for the third rapid, which was only a mile distant. It is 71 yards long and very easy. Encamped there for the night. Here and at many other places where we have halted, there is a good deal of the plant called poisoned ivy. The leaf is shaped like a hazel leaf, but is not quite so deep in colour, and is smoother on the surface and along the edge. The leaves grow in triplets from the same part of the stem. It is perenial. In height it is from 6 to 12 inches.

Both Mr. Pether and Mr. Simpson stated that they had suffered from its effects, which are most serious. If the leaf is plucked, or rubbed against the face or hands, or if a man with bare feet runs over it, it causes the part to swell dreadfully, a severe rash coming out, every little spot of which forms a sort of blister, the discharge from which communicates the poison to other parts of the body. Those who get it in the face have their heads so swollen that they cannot see. The pain from irritation is excessive. Both those gentlemen said that when they suffered from it they could only obtain relief by sitting in water. The attack lasts about nine days, although it sometimes leaves symptoms about the body for many months afterwards. They also state that some people can handle it with impunity; this is the only way in which their account of it can be reconciled with the fact that Indians camp frequently with it all round them, when their children must necessarily touch it constantly.

En route at 5 A.M. At 5.15 P.M. reached Bare Portage, which consists really of two short portages divided by a small pond. Encamped for the night at northern extremity of the portage, where the mosquitoes were very thick and most annoying. Met numerous parties of Indians during the day, all "very hungry." It rained a little during the night, but the day had been very fine.

*Monday,
August 1st, 1870.*

All hands at work at 4 A.M. in making a good road over the portage. Colonel Fielden's detachment arrived at 8.15 A.M. We started at 9.30. It soon began to blow hard from the N.W., so much so that we were forced to halt and take shelter on an island where the blueberries were in greater luxuriance than any of the party had ever seen before; they

*Tuesday,
August 2nd, 1870.*

were as large as small grapes. The islands and rocky promontories have abounded with them since we crossed the watershed. At this season they constitute the staple article of food with the Indians. It blew hard all day; got on a little distance towards night. It rained in showers, but the day was mostly fine.

Wednesday,
August 3rd, 1870.

As we started at 6 A.M. we saw the 17 boats of Colonel Feilden's detachment coming up the lake. Had to halt from about 8 A.M. until 3 P.M., owing to strong westerly winds, against which the boats could do nothing. Encamped for the night on an island near westerly extremity of Rainy Lake.

Thursday,
August 4th, 1870.

Under weigh at 4.15 A.M., and reached Fort Francis at 6 A.M. Upon turning into the river from the lake there are two swift, but easily run and safe rapids. Lieutenant Butler, 69th Regiment, met us at these rapids; he had reached Fort Francis in the morning at 3 A.M., and had gone on to the mouth of the river to await Colonel Wolseley's arrival. The Lieutenant-General Commanding had sent this officer round *viâ* St. Paul and Pembina for the purpose of obtaining information regarding the rebels' doings, with orders that he should proceed on to meet the Expeditionary Force as best he could, so that Colonel Wolseley should be in receipt of reliable information coming from an uninterested party before he entered the province of Manitoba. Lieutenant Butler had left Fort Garry on Sunday, the 24th July, every one in the settlement seems panic-stricken. The French afraid of the English-speaking people, and *vice versa*, both being in the direst dread of the Indians. All the Indians and the loyal people are most anxious for our arrival. He had been called upon by Mr. Riel who is evidently very nervous about an amnesty, for which Bishop Taché is supposed to have gone to Ottawa. We shall have no difficulty about supplies in the settlement, as there is plenty of beef and plenty of flour.

Fort Francis is a collection of wooden one-storied houses, standing on the right bank of Rainy River, immediately below the falls, which are 22 feet high. It is a lovely spot combining everything that is required for picturesque effect, except high mountains. The grass is most luxuriant, nothing to be seen superior to it in any part of Canada. There has at one time been a considerable clearance in the neighbourhood of the fort, but a second growth of scrubby trees has been allowed to encroach upon it. There is a good field of wheat, barley, and potatoes. The wheat is ripe and fit for cutting, which is to be begun to-morrow, it was sown between the 20th and 22nd April; the potatoes were sown between the 6th and 8th May, and are now being used. There were about 10 or 12 Indian lodges on the portage, but the ground around showed marks of where a large encampment had lately been. A great number had assembled hoping to see us arrive bringing them presents of all sorts of things to eat. They remained waiting on and on until hope deferred had made their stomachs sick from want of food. It was in this one respect very fortunate that we did not reach this place a month earlier, for we might have had some serious trouble with such a hungry crowd of people for whom we could not spare any provisions.

There are several Indian graves on the portage, in some the bodies enclosed in wooden boxes are raised in a horizontal position about seven or eight feet from the ground, resting on a framework. These are the bodies of Chiefs and their families. The principal Chief is now encamped here. He is a very old man, excessively dirty, with his head a little to one side, whence his name of Crooked Neck. At the great council held here upon Mr. Simpson's arrival, this mighty Chief was one of the greatest orators. Upon that occasion all he wore upon his person was a breech cloth and a brass ring round his neck, his face and body was, however, painted bright yellow.

Colonel Fielden's detachment arrived at 10 A.M., and got over the portage, which is 170 yards long, and was off again at 3.30 P.M. The day was very fine.

Mr. Monkman arrived at the same time as the boats. When leaving Thunder Bay for Red River about the 17th June last, he had promised that he would come back so as to meet Colonel Wolseley about the end of July at Fort Francis, bringing with him the latest intelligence and information regarding supplies and the feasibility of having the road made from the north-west corner of the Lake of the Woods to Fort Garry. He had left the lower settlement on the 20th July, bringing letters to Colonel Wolseley from the Bishop of Rupert's Land and from a Mr. Boyd, who had been recommended as a good man to apply to regarding supplies. Colonel Wolseley also received letters from Henry Prince, the Chief of the Swampy Indians, full of loyalty, and breathing dislike to Riel and his party. The refrain of all these letters is, "Come on as quickly as you can, for the aspect of affairs is serious and threatening." Monkman had come up the Winnipeg to Fort Francis; but when going into the settlement, had landed at the north-west corner of the Lake of the Woods, and followed his old blazed line along a good sandy ridge to White Mouth River, where he got on Mr. Snow's road, which has been made from Fort Garry to that point. He says that but little labour would be required to make the track passable for carts, as there are only two or three bad marshy places, but that there are a vast number of fallen trees which would have to be removed.

Friday,
August 5th, 1870.

A fine day. D and E Brigades arrived at 4 P.M., and left again in the evening. All the brigades leave their incompetent voyageurs here, who will be sent back by the first opportunity. Guides are also obtained here, from the Hudson's Bay establishment, and selected from men that accompanied Lieutenant Butler in his journey from Red River. It is expected that we shall be able to obtain more guides at Rat Portage, particularly as there are several boats coming up the Winnipeg from Fort Alexander with stores, the men of which will be available as guides and boatmen in descending.

Saturday
August 6th, 1870.

Strong westerly winds all day, against which no boats could make any way. No boats arrived. A few showers.

Strong westerly winds. No boats arrived. Fine day.

Fine day. F Brigade arrived at 7:15 A.M., G arrived at 8 A.M., H at 12:15 P.M., I Brigade at 2:45 P.M. The last brigade consisted of a company of the 1st Militia, and is to form the garrison for Fort Francis. It encamped on the high grassy bank near the fort. The other Brigades, having been furnished with guides, started off, each Brigade independently, as soon as it was over the portage. They discharged all the surplus stores they had brought here for the establishment to be kept here. They left one boat here, the stern post having come bodily out of it. Up to the present every one says the best boats are those that were built at Quebec; they are carvel built, and are certainly twice as strong as the clinker built ones; they are also much more easily repaired when injured.

To-day K Brigade, Captain McDonald, 1st Ontario Rifles, arrived at 11:15 A.M., and left at 5 P.M., leaving some of their voyageurs behind, who were reported to be incompetent. This detachment had tampered with their barrels of pork, opening them and pouring out the brine, to lessen the weight. No less than 24 out of 31 barrels were found on examination to have been tapped in this way, so fatal to the meat, which, deprived of the brine, soon spoils. It was supposed that this company of Militia had been put up to this dodge by an old Serjeant of the Royal Canadian Rifles serving with them. Colonel Wolseley was very angry when he heard of this.

The boat carpenter arrived this afternoon to work at repairing boats, as the brigades pass through. Rained hard at intervals during the day: heavy showers, with bright, warm sunshine between them. Preparations made for the head-quarters to leave to-morrow morning for Fort Alexander; Colonel Wolseley, and Assistant-Controller Irvine, in a birch-bark canoe manned by eight Indians; and Captain Huyshe and Lieutenant Denison, Orderly Officers, in the gig with four soldiers and two Indians: they embarked 14 days' rations for all hands.

Forwarded for the information of the Lieutenant-General Commanding in British North America, and for transmission to the Quartermaster-General of the Army, Horse Guards.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

Fort Francis, 9th August, 1870.

Sunday,
August 7th, 1870.
Monday,
August 8th, 1870.

Tuesday,
August 9th, 1870.

COLONEL WOLSELEY and Staff left Fort Francis at 5 A.M., en route for Fort Alexander.

Wednesday,
August 10th, 1870.

Descended Rainy River easily and quickly, making about $5\frac{1}{2}$ miles per hour, on an average, the current helping. The banks of this most beautiful river present a pleasing contrast to the country we have hitherto passed through. The soil is rich; elm, oak, maple, and other hard wood abound, and there is a rich profusion of undergrowth—rose bushes, convolvulus, and vetches, in great luxuriance. A little below Fort Francis is the old deserted post of the North West Company. On both sides of the river, here and there, open park-like expanses of many acres in extent are met with; the grass very green and luxuriant, and free from undergrowth; the timber, however, is small, and apparently not over 20 or 30 years old. These open spots are much more frequent on the north bank than on the south bank.

At 8 A.M. stopped for breakfast one hour; at noon passed the first rapids, 32 miles from Fort Francis; these rapids are not difficult to run, they are short, but rough, with a good tumbling sea that splashes over, and forms numerous eddies and whirlpools.

The second rapids are $6\frac{1}{2}$ miles below the first, they are a little longer, but not so rough. At 12:30 came up to K Brigade, which had left Fort Francis at 5 P.M. yesterday, and were halted for dinner—Colonel Wolseley and party halted for the same purpose near them—till 2 P.M. On again till 6 P.M.; halted for 2 hours for tea and to make everything ready for drifting down the river during the night. It being a fine evening, and the moon nearly full, Colonel Wolseley resolved to try the plan (said to be adopted by the Hudson Bay Company) of lashing the canoe and gig together, and letting all hands turn in except one man in each boat, who keeps watch and steers. Just at sunset a most extraordinary flight of insects appeared on the river; they were nearly white, grey wings, bodies a pale yellow, about $\frac{1}{4}$ an inch long, with two long feelers running out from the tail an inch or more in length. They were moving up the river at a great rate, in a solid column 10 feet high, and perhaps 30 broad, just like a column of march. The river, as far as the eye could see, both ways, was covered with them, till at a distance they gave the appearance of a thick mist, nearer they looked like driving snow or sleet.

When the gig pushed out into the river amongst them, they parted in the midst like a column of fours, to let it go through. It was noticeable that as soon as they touched the water they remained in it, unable to rise again.

At 8 P.M. commenced drifting down the river, but soon the sky became overcast, and at 11 P.M. a sharp shower fell; soon after, the wind arose, and being dead ahead, it was impossible to drift against it, so were obliged to put into shore for the night.

Rain continued all night, off and on, with a strong westerly gale. Under weigh again at 5:20 A.M. Morning cloudy and lowering, but no rain. Stopped at 9:15 A.M. for breakfast, at a small trading post of the Hudson's Bay Company called "Hungry Hall," about 2 miles above the mouth of the river, which here becomes wider, its shores marshy, and

Thursday,
August 11th, 1870.

full of wild fowl, the banks lower. On the way, Colonel Wolseley met a small canoe with 3 men in it; they proved to be bearers of letters from "Rat Portage" and from Fort Alexander, announcing the despatch from Red River, and arrival at Rat Portage, of 6 boats sent by the loyal English-speaking inhabitants of the settlement, by public subscription, to help the expedition down the Winnipeg River. The letters were from Mr. Boyd and from the Rev. Mr. Gardiner, all in the same strain as previous ones brought by Joseph Monkman. At Oak Point, on the opposite side of the river to Hungry Hall, is an old deserted log-house, an abandoned American training post. The bearers of the letters were handed over to K Brigade, which came up at 10:30, as guides.

The party started again at 10:45 A.M. from Hungry Hall (so called from the fact of a former resident there being several times nearly starved to death!), and hoisted sails to a fair breeze, which soon took them out of the river into the Lake of the Woods. The gig slipped along fully 7 knots an hour, the water being comparatively smooth, as the route lay for 10 or 12 miles amongst low islands. To the left the surf was beating angrily on a low bar stretching across from island to island, and outside this bar "white horses" were rearing their heads, betokening a heavy sea, too much for the canoe or the heavily laden gig. After a while a "green sea" sweeping over the stern sheets of the gig and half filling her, admonished all that discretion was the better part of valour, so put into an island that lay luckily in the way, in which was a secure little harbour. This was at 12:30 noon. The Militia company, K Brigade, followed, and as the wind continued all day, tents were pitched on the island, which was named "Detention Island."

*Friday,
August 12th, 1870.*

The strong wind continued all night and the greater part of this day, which was fine and bright. Saw a flag hoisted on an island opposite, and by the aid of the glass made it out to be a "Union Jack"; saw two men on the island. Sent a canoe over to see what it was, but they could not find anybody. Struck tents in the afternoon, and the wind dying away, K Brigade went off at moon-rise, 8 P.M. A canoe arrived bringing mails, to the great delight of every one; Toronto papers to the 29th and English ones to the 15th July. About 9:30 P.M. two Red River boats came up to the island, and proved to be bearers of letters from Colonel Fielden, from Rat Portage, and from Bishop Macrae; the latter urging the necessity of at once despatching 100 men and a couple of guns to Red River. Mr. Sinclair, who was in charge of the two boats, said that Colonel Fielden had taken on with him 3 of his Red River boats and 23 men. Colonel Wolseley's crew of Indians refusing to leave the island this night in consequence of the still high sea on the lake, which they averred would break the canoe in two pieces; he embarked in the gig, leaving Lieutenant Denison to take his place in the canoe, and started at 9:45 P.M. Having no guide, the gig was steered by the stars, it being a bright moonlight night without clouds; course taken being a little to the westward of the pointers of the Great Bear. The party were soon out of the sight of land, though land was visible by day to the eastward. To the westward was a vast expanse of water without even an island to break the sky line; the sea was still rough, a heavy rolling swell tumbling in from the north-west, though the wind had almost gone down. After 3 hours hard pulling, the gig made an island on which Colonel Wolseley bivouacked for the night, at 1 A.M.

*Saturday,
August 13th, 1870.*

Under weigh again at 5:30 A.M., steering N.N.W.; to the eastward a group of islands through which an opening was looked for in vain to escape the rough sea, which was gradually but slowly subsiding. Westward an unbroken expanse of water, no land in sight. At 8:30 A.M. stopped on a island for breakfast. Here were met an Indian and two small boys in a canoe, but as none of the party could speak the language of "Hiawattea," no hints or directions as to the route could be gleaned from them. On again at 10 A.M. Sun very hot, but a light favourable breeze soon springing up, sails were set. The course lay during all the remainder of this day through an interminable labyrinth of islands, of all shapes and sizes, to find the right way through which would require the education of a life time. Colonel Wolseley took up his position in the bow of the gig, steering by compass with the aid of Mr. Dawson's map—a very inefficient and inaccurate chart—drawn on a scale of $7\frac{1}{2}$ miles to the inch. Stopped at 3:30 for dinner; started again at 5, and rowed till it was too dark to see any more. Then bivouacked on an island.

*Sunday,
August 14th, 1870.*

Started at 4 A.M. to try and reach Rat Portage early in the day, under the belief that the gig was within 10 miles of that place. Steered north till stopped by a "cul-de-sac," then east, then west, trying every opening to be found amongst the innumerable islands, in the vain hope of making the mouth of the Winnipeg River. At last, after hopelessly wandering about, at 3:30 P.M. saw an Indian encampment, from which a present of a few biscuits and a little tea produced a native, who willingly conducted the party to the Winnipeg River and Rat Portage, at which they arrived at 8 P.M., having only stopped once all day (at 8 A.M.) for breakfast. To attempt to cross the Lake of the Woods without a guide is a feat which Colonel Wolseley will not attempt a second time.

The canoe and the two Red River boats under Mr. Sinclair, starting from Detention Island at daylight on the 13th, arrived at Rat Portage at 7 A.M. and 3:30 A.M. respectively on the 14th, having with them good guides. The Lake of the Woods is about 75 miles long, with an average width of about 70 miles. Its chief peculiarities are, the temperature of the water, which is nearly luke warm, between 70° and 78° F., and an extraordinary profuse confervoid growth. These conferræ are a minute vegetable, orgeniam, needle-shaped, about $\frac{1}{2}$ an inch in length; they abound all over the lake, in some places so thick that the water looks like green pea-soup. Some of the deep bays receding from the lake are free from them, such a Clear Water Bay, &c., but they extend even a few miles down the Winnipeg River, below Rat Portage.

When nearing Rat Portage, Colonel Wolseley met Lieutenant Butler, 69th Regiment, who was in a canoe on his way to the lake to light a fire on an island called the Devil's Rock, about fourteen miles out in the lake, and a conspicuous object, near which the several routes across the lake diverge. The latest news he could give us was that Colonel Fielden's detachment had arrived at Portage de L'Ile at 8 A.M. on Friday the 12th instant. The day was magnificent, light favourable breeze from the south. Encamped at the far side of one of the portages, of which there are three here. No. 1 near the Hudson Bay Company's post, not much used. No. 2 about 500 yards further to the south, 300 yards long, and very rough, chiefly used for birch bark canoes. The third and regular portage is 3 miles from the post, to the south, it is 130 yards long, and is usually used for the big Hudson Bay Company's boats. No. 3 was the one passed over by Colonel Fielden and the other brigades. The Hudson Bay Company post is under the charge of a Mr. MacPherson, a Scotch half-breed, who has been very civil and obliging and useful; the post is a very small affair, 3 small log houses, roofed with bark, and enclosed by a high wooden palisading, it has been only 11 years built; the old post, on an island a little farther down the river, having been abandoned on account of its inconvenience. There are a few acres of land under cultivation,—wheat, barley, and potatoes looking very well. Mr. MacPherson has a few head of cattle (two of which were offered to the troops), and some pigs, besides lots of mangy looking pariah dogs, used for drawing sleighs in the winter. There are 13 men maintained, besides Mr. MacPherson, by the company at this post, but nine of them are employed on three small outlying posts. A magnificent day, bright and cloudless.

Colonel Wolseley remained at Rat Portage this day, making arrangements for guides to be sent back to Fort Francis to conduct the brigades across the Lake of the Woods, and also for guides for the Winnipeg River. Monday,
August 15th, 1870.

Thunderstorm came on about 6 A.M. and lasted till 11 A.M. with heavy rain; the afternoon was fine.

Lieutenant-Colonel McNeill, V.C., and Deputy-Assistant Superintendent of Stores Jolly arrived at sunset in a canoe, having been 12 days on the road from Shebandowan Lake. They reported all well with the brigades in rear, they having left 2 days after the last brigade (Lieutenant-Colonel Casault's, X) was despatched, and having passed each brigade successively. The following was the position of the different brigades when passed by Lieutenant-Colonel McNeill:—

<i>4th August.</i>			
X Brigade	..	..	East end of Height of Land Portage.
V and T Brigades	..	..	West end of do.
<i>5th August.</i>			
S Brigade	..	..	Just over Brulé Portage.
R „	..	..	West end of Portage Français.
<i>6th August.</i>			
Q Brigade	..	..	West end of Pine Portage.
<i>7th August.</i>			
P Brigade	..	..	West end of 1st Portage on River Maligne.
<i>8th August.</i>			
O Brigade	..	..	On Mequaquon Lake.
<i>9th August.</i>			
M and N Brigades	..	..	At 1st Bare Portage.

Forwarded to the Deputy Quartermaster-General for the Lieutenant-General's information, and for transmission to the Quartermaster-General of the Army, Horse Guards, London.

(Signed) G. J. WOLSELEY, Colonel,
Commanding Red River Expeditionary Force.

COLONEL WOLSELEY and Staff left Rat Portage at 2 P.M., having all the arrangements completed as well as possible for guides for the different brigades. Mails were made up for Canada and despatched. Started with a fair breeze down the Winnipeg River, ran "Les Dalles" Rapids, about 10 miles below Rat Portage, without any difficulty. Camped for the night at 7.15 P.M., having run about 25 miles. It began to rain about 6 P.M., and continued all the evening. River full of high rocky granite islands, which present a very sterile aspect.

Started again at 4.45 A.M. in drizzling rain, with a blustering head wind, which made a tumbling sea against the current. Ran the "Grand De Charge" Rapids, 25 miles below "Les Dalles." The stuff was portaged, and the canoes and gig then ran the rapids; in doing so boats should keep well to the right. In the next two miles were two small

Tuesday,
August 16th, 1870.
Rat Portage.

Wednesday,
August 17th, 1870.
Winnipeg River.

currents; these followed "Yellow Mud Portage" 110 yards. The approach to it is dangerously near the falls. About 200 yards further is a very pretty little fall of 6 feet which was run. "Pine Portage" follows next, 1,200 yards further on. This was very steep and slippery, 240 yards long, and full of black flies and mosquitoes. 100 yards further is "Cave" Rapids, which is a pretty little fall of 4 feet. It is usually run, but requires care. This was the last portage this day. Islington Mission was passed about 3 miles below Cave Rapids. Fields of yellow corn and green pasturage were a pleasant change to the eye, in the midst of the sterile rocky country around. The weather cleared up at 9 A.M., and continued fine till 6 P.M., when rain again began to fall with steady persistency all night, making the camp very unpleasant.

*Thursday,
August 18th, 1870.
Winnipeg River.*

Colonel Wolseley's party started again at 4:45 A.M. The morning was wretchedly gloomily and miserably cold. A drizzling rain and heavy mist over the river, made everything unpleasant, until 10 A.M., when the weather cleared up, and gave the men an opportunity to get a little dry and warm. At noon, reached the "Chute à Jacquot," a very pretty fall in a series of terraces. The portage is 150 yards; everything has to be portaged. It is about 20 miles below Islington Mission. A little further on reached "Trois Pointes-des-Bois," which consists of 3 portages close together, round very pretty falls. The portages are 306, 110 and 60 yards long respectively. Eight miles further is "Slave Falls," the most beautiful rapids or falls yet seen. It derives its name from the romantic story of two Sioux prisoners having been launched over the falls by the Ojibway Indians in a birch bark canoe, with their hands tied. The portage for boats is 750 yards long, a good level portage, it is some 400 yards to the right of the falls. The canoe portage is round a jutting ledge of rock, quite close to the falls, and very dangerous except for skilled boatmen well acquainted with the place. At this portage the two leading brigades of the 1st Ontario Rifles were encamped for the night, having just arrived. Colonel Wolseley's party encamped just above the falls; the evening was fine and warm.

*Friday,
August 19th, 1870.
Winnipeg River.*

Made the portage early in the morning, and went on 8 miles further to the "Barrière Portage," which is about 20 yards over a bare rocky island; a few further on ran the "Otter" Rapids, not difficult, but long. The "Sept Portages" come next, and were got over by the gig in 2 hours 32 minutes; the second one being run. These seven portages are about 3 miles long, and are simply an almost uninterrupted succession of falls, rapids, whirlpools, and eddies. Some of the approaches to, and departures from, these portages are dangerous. The whole way from the Barrière Portage the river is full of rapid water and currents, and hidden rocks, and requires careful steering. Camped for the night about a mile below the "Sept Portages." The weather was cold and showery in the morning, but the afternoon was fine.

*Saturday,
August 20th, 1870.
Winnipeg River to
Fort Alexander.*

Made an early start as usual to try to reach Fort Alexander this day. Crossed Lac de Bonnet, and made the two "Galais de Bonnet" Portages before breakfast. They are 145 and 100 yards long respectively. At the second the canoe portage is on the left bank of the fall, and the regular portage, for the large Hudson Bay Company's boats, on the right bank.

The next two portages are "Grande" and "Petit Bonnet." Then comes "White Mud Portage," 280 yards long. The two "Silver Falls" Portages are the next. They are only divided by about 150 yards of slack water, and are sometimes made into one. The best plan is to take the stuff over in one portage, and haul the boats over in *two*. They are steep and slippery in ascending from, and descending to, the river's bank, and are about 200 and 30 yards long. These Silver Falls are the most magnificent cascades and rapids on this river, or indeed on any river. The volume of water is very great, and the scenery around most magnificent and picturesque.

To the next and last portage, "Pine Portage," there are about 5 miles of river, more or less current the whole way, and with two or three difficult rapids. This portage is about 350 yards, and after it about 8 miles of river with two easily-run rapids to Fort Alexander. This post of the Hudson Bay Company is prettily situated on the left bank of the river, about 2 miles from the commencement of Lake Winnipeg. It is a much larger post than Fort Francis, and has a more imposing appearance. It is surrounded by a wooden palisade, and stands on high ground, the bank of the river being here about 40 feet high. From a wooden tower about 30 feet high, in front of the post, a charming view can be had, the river winding along to its junction with the lake, and the lake itself spreading out like an ocean as far as the eye can see. The soil around the fort seems very good, and the crops luxuriant.

Colonel Wolseley arrived here about an hour before sunset, and found the whole of the 60th and Royal Artillery and Royal Engineers. The head-quarters of the 60th had reached this place on the 18th. The gig did not get in till 8:30 P.M., being delayed by the heavy portaging over these numerous portages. Weather showery in the morning, but fine in the afternoon.

*Sunday,
August 21st, 1870.
Fort Alexander and
Lake Winnipeg.*

The troops attended Divine Service at 10 A.M., in the open air, near the fort; the service being performed by a Missionary living near the post, assisted by the Rev. Mr. Gardiner, from the Red River. A mail was sent off up the river with orders for the company of the 1st Ontario Rifles stationed there to embark for the north-west corner of the Lake of the Woods, on the 1st September, and for all mails to be sent that way also. This was in consequence of reliable information that the road would be finished through to the Lake of the Woods by the 20th instant.

At 3 P.M. the Force embarked and set sail to a favouring breeze, about 50 boats in all,

containing the Regulars of the Expeditionary Force. Colonel Wolseley accompanied Mr. Donald Smith in one of the large Hudson Bay Company's boats. The wind was fair, and the little fleet stood out to sea, making a good offing, and bore up for "Elk Island." They arrived there at sunset, and drew up the boats on a magnificent sandy beach in a beautiful little bay, well protected from the wind, having run about 20 miles from Fort Alexander. The day had been very fine, without rain.

The rouse sounded at 3:30 A.M. and the men had breakfast before embarking at 5 A.M. The wind was still favourable, though not as free as yesterday, and the fleet made a prosperous and quick run across the southern portion of Lake Winnipeg to the mouth of the Red River. The lake was found to be full of the same green confervoid growth as was noticed in the Lake of the Woods, and was remarkable for its extreme shallowness. At the distance of upwards of a mile from shore the depth of water did not exceed two or three feet, and when approaching the Red River the boats had to follow a narrow channel marked out with a buoy and stakes. Several of the boats got aground together from not following the guide sufficiently closely. The Red River flows into Lake Winnipeg by three mouths, the centre one of which was entered by the fleet. The leading boats arrived there about 12:30 noon, but some of the slower sailing boats were an hour and a-half later. Dinner was cooked on the shore, and the little fleet started again about 2:30 P.M. up the river. Colonel Wolseley sent his canoe with Assistant-Controller Irvine and Lieutenant Butler on ahead with orders to keep a sharp look-out and report anything unusual or suspicious. The passage up the river was slower than that across the lake, the boats having to keep in two lines behind Colonel Feilden, who was himself immediately behind Colonel Wolseley. At sunset the fleet encamped on the right bank of the river, about 11 miles below the Stone Fort, and just opposite the lodges of the Swampy Indians. Colonel Wolseley immediately sent off a messenger to the Stone Fort for Mr. Flett, the Hudson Bay Company's Officer, who arrived during the night. No one appeared to have the slightest idea of the approach of the Force until the boats actually came in sight, and (to prevent the news from spreading) Colonel Wolseley took every precaution possible. A visit of ceremony and congratulation was paid to Colonel Wolseley by "Henry Prince" (Chief of the Tribe) and a few of the Solteux Indians, dressed up in feathers and paint. The interview was conducted much as usual with Indians, expressions of loyalty and welcome from the Indians, and of thanks and goodwill from the Commander of the Forces, accompanied with a substantial present of pork and flour, which appeared to afford the most intense gratification.

Weather fine during the day, but clouded over at nightfall, and began to rain about 11 P.M.

Drizzling rain when the rouse sounded at 3:30 A.M. The men had some tea before starting. Continued on up the river in the same order as before, the boats being welcomed by "feux-de-joie" and other manifestations of delight from the Indians and half-breeds on the bank.

Reached the "Stone Fort," or Lower Fort Garry as it is sometimes called, about 8 A.M. The Officers were invited to a general breakfast by the Hudson Bay officials in the fort, to which they did ample justice. The boats were lightened of all surplus stores, only four days' rations being taken on, so as to reach Fort Garry, if possible, before dark.

Captain Wallace's company was detached as an advance guard and flanking party on the left bank, with orders to keep his main body on the road about a quarter of a mile in front of the boats, and with connecting files to the river's bank, with an advance party of one section of his company about 500 yards further ahead. Two signal-men with flags were also furnished to him, one to remain with the advance guard, and the other with the main body, to facilitate communication with the boats. This company was mounted on ponies and in country carts, and had orders to stop all persons on their way up the river, but not to interfere with those going down the river. By this means, as the force advanced, it was found that the actual appearance of the boats was the first intimation that the people had of the arrival of the Expedition. On the right bank, which is mostly covered with willows, Lieutenant Butler was sent on, on horseback, with orders to patrol along the road a little ahead of the boats, and show himself at intervals. Colonel Wolseley, himself in the gig, proceeded in front of the boats, having a signal-man in one of the Hudson Bay boats just behind.

The two brass 7-pr. mountain guns were mounted in the bows of the boats, and everything was in readiness in case Riel should oppose the passage of the river. In this order the boats continued all day. The "Grand Rapids" were got up by poling and tracking without much difficulty.

At 2:30 P.M. the Force halted for one hour for dinner on the right bank. Communication by signal was kept up with the flanking party and advanced guard, and found to be of much service. At 3:30 P.M. the boats were under weigh again till time to halt for the night. Camp was pitched on the left bank about 2 miles below the English cathedral, and 6 miles below the fort by the road, the distance by water being about 8 or 9 miles. Outlying picquets, under the command of an officer, were thrown out on both sides of the river on the roads, and a chain of sentries posted, to cut off all communication between Fort Garry and the settlements in rear of the Force. Three prisoners were captured during the day by Captain Wallace, and were detained. Information that was held to be reliable was also brought in by some of the loyal people, that up to noon this day nothing beyond vague rumours of the Force being in the river was known in the town of Winnipeg, and that these rumours were discredited by Riel, who, with a few of his adherents, was still in

*Monday,
August 22nd, 1870.
Lake Winnipeg to
mouth of Red River.*

*Tuesday,
August 23rd, 1870.
The Red River.*

*Wednesday,
August 24th, 1870.
Fort Garry.*

the Fort. Weather fine, except in the early morning. About 9 p.m. it began to blow hard from the north-west, and heavy rain came on and lasted the whole night.

The heavy rain having rendered the road ankle deep in black gluey mud, and almost impassable, Colonel Wolseley was obliged to abandon his intention of marching on the Fort, and continue in the boats. The men had breakfast before embarking at 6 a.m. Rain still falling in torrents. Everything is so wet that there was difficulty in getting the fires lit. About 8 o'clock the boats arrived at Point Douglas, about 2 miles from the Fort by land, and about 3 or 4 by water, as the river makes a long bend after its junction with the "Assiniboine." The troops were disembarked on the left bank, and formed up in open column of companies.

A few ponies that were brought by the inhabitants were useful in mounting the Colonel and his Staff, and two country carts were used for drawing the guns, which were limbered up behind them. A line of skirmishers was thrown out about 400 yards in advance of the column, which immediately commenced its move in the direction of the village of Winnipeg in column of fours, the 60th Rifles leading, Artillery and Engineers next, and a Company of 60th Rifles as a rear guard.

In this formation the column passed over a small creek, and keeping outside the village, wheeled slightly to its left, and advanced on the Fort, having the "Assiniboine River" on its right flank, and the village on its left. Some half-dozen loyal inhabitants, mounted on horseback, accompanied the column, and were useful as scouts and guides. The latest information obtained in the village was to the effect that Riel and his party were still inside the Fort, that the gates were shut, and that they intended resisting the troops. No flag was flying from the flagstaff in the Fort, and there was no sign of life visible; everything looked grim and frowning, and the gun mounted over the gateway that commanded the village and the prairie over which the troops were advancing, was expected momentarily to open fire. But the hopes of the troops were doomed to disappointment. On nearing the Fort some of the mounted men were sent forward to ascertain the state of affairs; they were followed by three of the Staff, and soon returned, having ridden all round the Fort and found the gate opening on the bridge over the Assiniboine River wide open. The troops were marched in by this gateway, having stopped and detained three men who were making off up the Assiniboine River. The Fort was found to be emptied of its late defenders, Riel, Lepine, and O'Donoghue having ridden off up the Red River about a quarter of an hour previously. The troops then formed line outside the Fort, the Union Jack was hoisted, a royal salute fired, and three cheers given for the Queen, which were caught up and heartily re-echoed by many of the civilians and settlers who had followed the troops from the village.

It was still raining in torrents, and the whole place was one sea of black slimy mud. The men were drenched to the skin, and indeed had been so during the greater part of the previous night. Under these circumstances, Colonel Wolseley did not think it advisable to pitch the tents on the soaking wet ground, and accommodation was found for the officers and men in the buildings inside the fort. The house occupied by Riel and his councillors was found full of ex-Governor McDougall's furniture. It had been the government house of the rebel Provisional Government, and so hurried and evidently unexpected had been the flight of the ringleaders that their breakfast table was found laid out and breakfast only half-eaten. Documents and papers of all description were lying about in their rooms. Bishop Taché wrote to Colonel Wolseley requesting an interview, but in consequence of the state of the weather (which continued all day raining in torrents), the latter requested him to defer it until the next day. No arrests were made by the military, and no attempt to pursue and capture Riel and his friends; the three or four prisoners who were detained when the troops marched into the fort were released during the day, there being no warrant out against them and no sworn information. Colonel Wolseley did not desire to trench on the civil authority in any way, not having been invested with power to do so, or to act as Lieutenant-Governor pending Mr. Archibald's arrival. The conduct of civil affairs devolved on Mr. Smith, as Governor of the Hudson Bay Company. Colonel Wolseley informed him that he looked to him as representing the only civil authority he could recognize, and that any prisoners handed over by him for safe keeping, should be taken care of. Many came forward volunteering to take Riel and his gang, if Colonel Wolseley would only authorize them to do so; all received the same answer, "go to a Magistrate for a warrant, and when obtained, Mr. Smith will provide the means for executing it." A warrant was subsequently obtained from a Justice of the Peace, directing some one specified man to arrest Riel, O'Donoghue and Lepine, on a charge of murder, false imprisonment and robbery. It proved to be informal, and was not executed. In fact no proper constables could be obtained for the purpose, and Colonel Wolseley positively refused to allow his soldiers being converted into policemen. Of course there is a considerable number of violent men who have old scores to pay off for themselves, and would be glad of the opportunity thus afforded to them by the arrival of the troops. Rain continued all day. Despatches and telegrams sent off by a special messenger to St. Cloud.

*Thursday,
August 25th, 1870.
Fort Garry.*

Rained again during the night, but cleared up in the morning, and the ground began to get a little dry. Bishop Taché paid a visit of ceremony to Colonel Wolseley, and had a private interview with him in the Fort. The Upper Fort, or "Fort Garry" proper, is a rectangular building, about 200 yards by 85 yards. The original fort was built about the year 1840, and was then 100 yards by 85 yards, it has a stone wall about 10 feet high all round, with circular bastions pierced for guns. About the year 1850, a second

portion was added to it—100 yards by 85 yards—but surrounded only by a wooden palisading on a stone foundation. The fort, as it now is, is crowded with buildings, stores, and officers of the Hudson Bay Company; it stands at the angle formed by the junction of the Assiniboine and Red Rivers, which here are about 160 and 500 feet wide respectively, and fronts on to the left bank of the former river, from which it is distant about 100 yards; the site is pretty, and commands a beautiful view of the prairie on all sides. To the north and west not a house is to be seen, the lines of houses follow the course of the river, and not a house or farm seems yet to have been commenced away from the river. They say that, though water is found at a depth of from 30 to 40 feet yet it is brackish. The village of Winnipeg is about half a mile north-north-east of the fort; it is simply a collection of houses built at all angles to each other, and forming one wide street about a quarter of a mile long. I should say there are about 50 houses in all. No attempt at drainage as yet, and in rainy weather the centre of the street is converted into a large pond, and the remainder into thick black mud, strong enough to pull the mocassins off the feet of the unwary traveller. There are a few stores, but grog shops are the principal feature of the place, and the last two nights these "saloons" have reaped a rich harvest. Voyageurs, Indians and half-breeds in all stages of drunkenness, and quarrelling, made the place a very pandemonium. But few soldiers were drinking to any extent after the first night, and Colonel Wolseley ordered a strong piquet to patrol the village every night till everything was quiet. Mr. Donald Smith, the Governor of the Hudson Bay Company, issued an order prohibiting the sale of liquor from 7 P.M. each evening to 6 A.M. the following morning, and posted constables in the village, as well as enrolled special constables to assist in keeping the peace.

A lovely day, bright sunshine, and a strong southerly wind which dried up the country in a wonderful manner. Bishop Taché paid another visit to Colonel Wolseley, and said that one of his priests had been shot at the night before, though the would-be assassin had failed in his cowardly attempt. He described the state of terror in which all his people were, and seemed himself to be dreadfully alarmed, which was not diminished when informed by Colonel Wolseley that several men had been to him (Colonel Wolseley) to be enrolled as special constables with a view of capturing Riel *dead* or alive; but that their services had been declined. At his request Colonel Wolseley issued an order prohibiting the officers of the force from going out shooting, as the very sight of a gun appeared to cause so much alarm.

Friday,
August 26th, 1870.
Fort Garry.

Lieutenant Butler was sent down to the stone fort on business, and with an order for the 2nd Quebec Rifles to remain there and go into camp until barrack accommodation could be provided for them. No signs as yet of the first two Brigades of Militia. The 60th Rifles moved under canvas this afternoon in a field near the fort.

Another fine, bright, cloudless day, thermometer 80° in the shade, and a hot wind blowing from the south. Colonel Wolseley, accompanied by his personal staff, and by Colonel Feilden and Lieutenant-Colonel McNeill, V.C., paid a visit of ceremony to Bishop McCrea and Archdeacon McLean, and afterwards to Bishop Taché. The bishop's palace of the latter prelate is on the right bank of the Red River, in the parish of St. Boniface, just opposite Fort Garry, and the finest-looking house in the settlement. On one side of it is a nunnery, and on the other side a school.

Saturday,
August 27th, 1870.
Fort Garry.

In the afternoon the band of the 60th Rifles played in front of their camp, and attracted a good number of visitors from the village and surrounding settlements.

About 6 P.M., Major Wainwright with two companies of the 1st Ontario Rifles arrived, and pitched their camp on the other side of the 60th. They had been wind-bound, and detained on Lake Winnipeg for 36 hours, by the same storm of wind and rain that welcomed the Head-Quarters when they took possession of Fort Garry on the 24th instant. The mails left this night for the United States and Canada, but Colonel Wolseley did not think it advisable to send letters in this way, being resolved to wait for a surer hand.

The troops attended Divine Service in the open air, the services being performed by the Chaplain, assisted by Archdeacon McLean. Colonel Wolseley, accompanied by Mr. Irvine, Lieutenant Heneage, and Mr. Donald Smith, drove down to the Lower Fort, returning at 7 P.M. He carefully inspected the Fort, and found that there would be tolerably good barrack accommodation for 300 men of the 2nd Quebec Rifles, and that by a few additions and alterations there would be a sufficiency of quarters for the officers, leaving only a few extras to be built, such as ablution-rooms, privies, cookhouses and a guard-room. Weather fine in the morning, but rained hard in the afternoon.

Sunday,
August 28th, 1870.
Fort Garry.

Deputy-Assistant Commissary-General Beamish arrived at 8 A.M., with mails from Canada to 3rd instant. He reported that Major McLeod and 2 companies 1st Ontario Rifles were at the Lower Fort last night, and would be here to-day. Letters and despatches were sent off to Canada to-day per Captain McCalmont, 9th Lancers, who left the Fort to return to England *via* the United States.

Monday,
August 29th, 1870.

Two Companies of the 60th started down the river on their way back to Fort Alexander and the Winnipeg River. One more company will follow them to-morrow, and one Company will march by the road to the N.W. corner of the Lake of the Woods, taking with them sufficient transport to bring back the baggage, &c., of the company 1st Ontario Rifles left in garrison at Fort Francis.

A beautiful day, with a fresh N.W. breeze. Instructions having been received from the Lieutenant-General Commanding in British North America, desiring that, if possible, the company of the 2nd Militia, left at Prince Arthur's Landing, should be brought on to Fort Garry this season, a special messenger has been sent to Shebandowan Lake, directing

the Officer Commanding at the first-named place to carry out the Lieutenant-General's instructions, should he be able to obtain the necessary boats and voyageurs. If this can be arranged the Company is to come here *viâ* the N.W. corner of the Lake of the Woods.

Tuesday,
August 30th, 1870.
Fort Garry.

Mails and telegrams for Canada were sent off this morning by Captain McCalmont, who started about 9 A.M. Instructions were sent by a special messenger to Captain Scott, 1st Ontario Rifles, expected to arrive at the N.W. corner of the Lake of the Woods on 3rd or 4th September, directing him to march to this place. Captain Buller's Company 60th Rifles was to have marched to-day for the N.W. corner of the Lake of the Woods, there to embark in Captain Scott's boats, and make the best of their way with all speed to Prince Arthur's Landing to take the place of the company 2nd Militia ordered up from that place to Fort Garry, but the carts intended for their transport did not arrive. Enough carts were to have been sent with Captain Buller's company for transport of baggage, the men's packs, &c., as far as White Birch River, about 78 miles distance (to which place the road is practicable for carts), and from whence 20 pack horses would take all necessary things to the N.W. corner, about 33 miles further. Board of Survey ordered to assemble to-morrow to inspect barrels of pork brought up by the 1st Ontario Rifles, which were found to be without brine.

Letter received from Lieutenant-Colonel Bolton, Deputy-Assistant Adjutant-General, from White Birch River, reporting on the state of the road as follows:—

"Prairie country extends as far as Oak Point, but little timber. About eight miles "beyond Oak Point is an empty reservoir. After leaving the reservoir the soil becomes "sandy, small poplars on both sides. Road practicable for wheeled transport as far as "White Birch River,' about 78 miles. From that point to the Lake of the Woods, "distance reported to be about 33 miles, near Red River, is a small stream crossed by a "wooden bridge; further on and nearer to Oak Point the road skirts another small "stream. After leaving Oak Point road is clear of stumps and boulders, fenced with "fallen timber, wet places ditched and now and then fascined. About 10 miles beyond the "reservoir, crossed 'Broken Head Creek,' and some half hour's march further two ponds, "water good. After this point, Colonel Bolton reports, that (travelling at the rate of "5½ miles per hour) he passed an empty shanty in a fir wood with a well of water near it "in 40 minutes. In 30 minutes more a well, in 40 minutes more another well; in "35 minutes more crossed a swamp corduroyed for 150 yards, in 10 minutes more another "swamp, water drinkable; in 15 more crossed the west branch of 'White Mouth River,' "depth 6 inches, fordable, water good; in 45 minutes more a well, in 20 minutes more "another well, in 10 minutes more another well, in 35 minutes more a swamp curduroyed. "In 1 hour 20 minutes more met Mr. Lonsdale, who reported that he did about half a mile "to a mile of road in a day. Prairie hens abundant, also a few partridges and pigeons."

End of précis of
Col. Bolton's letter.

Fine day. Captain Dundas's Company of the 60th Rifles left in boats at 9 A.M. for Thunder Bay *viâ* the Winnipeg River.

Wednesday,
August 31st, 1870.
Fort Garry.

Mr. Dawson arrived about 11 A.M., also Lieutenant-Colonel Jarvis, and the Headquarters, and two companies of 1st Ontario Militia. All of the 1st Militia have now arrived, with the exception of the company in garrison at Fort Francis, which is to leave that place to-morrow for the N.W. corner of the Lake of the Woods. Captain Buller's company did not march yesterday, as the carts promised did not arrive; he marched to-day about 11 A.M., the men's packs being carried for them. Colonel Wolseley's gig under charge of Lance-Serjeant Barnes also left at 1 P.M. to-day for Fort Francis *viâ* the Winnipeg River. Two companies of the 60th Rifles left at 2 P.M. in boats *viâ* the Winnipeg River. An order was sent to the Officer Commanding at Prince Arthur's Landing to despatch each Company of 60th Rifles to Canada by first steamer as soon as it arrived.

The following is a return of the dates of arrival and departure from Fort Francis of the last 4 Brigades of the Expedition:—

						Arrived.	Left.
16th August..	S	Brigade	(2nd Quebec Rifles)..	8:30 P.M.	16th..	3:30 P.M.	17th.
17th "	T	"	" " "	5:30 P.M.	17th..	6 P.M.	18th.
17th "	V	"	" " "	6 P.M.	17th..	6 P.M.	18th.
18th "	X	"	" " "	2 P.M.	18th..	11 A.M.	19th.
						(Signed)	G. W. MELLISH.

Fort Francis, 21st August, 1870.

Continuation of précis
of Lieut.-Col. Bolton's
letter.

About 3 P.M., Lieutenant-Colonel Bolton returned from his mission in search of the N.W. corner of the Lake of the Woods; he appeared to have been unable to reach the lake, not having with him any guide who thoroughly knew the road. Colonel Wolseley therefore despatched a special messenger at once to fetch Mr. Joseph Monkman, who appeared to be the only man able to point out the proper path to be taken to avoid the morasses and thick woods between the end of the road and the lake. Heavy showers during the day.

Colonel Bolton's report continues as follows:—

Thursday,
September 1st, 1870.
Fort Garry.

"Mr. Lonsdale having furnished me with saddle horses and provisions, I left his "camp at 7 A.M. on Saturday, 27th August, I followed a bridle path blazed through the "trees, crossing White Birch River (water very good), by a small bridge of fir poles. The "path was scarcely wide enough for a pack horse to pass between the trees, and the fallen "timber had only been removed sufficiently to render the path barely passable. The "country is very flat, having evidently at some bygone period been a vast lake or series of

"lakes. A remarkable feature worthy of notice is the occurrence of large flat masses of granite or gneiss rock, which look like islands. I passed over 12 of these 'islands' during the 20 miles I got over to-day, always at a walking pace. In the marshes water can be obtained by digging. On Sunday, 28th, I started again. After some miles of wood and marsh I entered a vast swamp of many miles in extent, this opened on to what must have been a great forest, now a brulé, and suddenly came to an end near a depression like the bed of a lake, through which a small stream of water was running in an easterly direction. The guides said the lake was about two miles off, but beyond this point neither of them had ever been.

"At 12:30 noon, I started on foot with the two men to try and reach the lake, but after some useless efforts to penetrate a brulé, I had to give it up, being quite unable to get through it without a free use of the axe. I then tried to get along by the banks of the stream, and found, as I expected, that the country was a little more practicable. At 5 P.M. I reached a point on the left bank of the stream where a white flag was flying. Here I found an official letter to Colonel Wolseley from Mr. McTavish, dated 14th August, announcing the commencement of the road, which letter I left in its place; also a note from Mr. McKay, which I brought away with me. I re-directed the official letter to the Officer Commanding the company 1st Ontario Militia, expected to arrive here from Fort Francis, telling him to cut a path (following the blazed trees) through to the depression where I had left my horses, about 3 miles higher up the stream. I then commenced my return; but at 7 P.M., being utterly exhausted, I was obliged to lie down, and passed the night as best I could, without food or a blanket. One of the men kept the fire alight during the night, but it was very cold, and rained for some hours. Next day, Monday, the 29th, I was three hours getting back to the spot where I had left the horses, and being utterly done, and physically unable to continue my efforts to reach the Lake, I returned to Red River, reaching the settlement on Wednesday, the 31st, at 3 P.M.

"From the furthest point I reached I was not able to see the lake, though the appearance of the country, and the opening out of the marsh to some width on each side of the stream, gave indications that the lake could not be far off.

"To sum up, my opinion of the road is this; practicable for carts for 78 miles, as far as White Birch River; practicable for pack horses for 30 miles further, leaving about 3 miles or so still to be cut through to open the path to the Lake of the Woods."

End of précis of
Lieut.-Col. Bolton's
letter.

The last remaining company of the 60th Rifles left to-day in boats. They reached the Lower Fort, and encamped there for the night.

Fine morning, but heavy showers in the afternoon. Colonel Wolseley's messenger, who had been sent with instructions to Captain Scott at the N.W. angle, returned to-day. He had met the horses (sent by Bishop Taché to meet the Lieutenant-Governor) returning to Red River, and had been told by the men in charge of them that the Lieutenant-Governor had passed on, finding *no road*, and had also ordered Captain Scott's Company to go round by the Winnipeg River for the same reason. Colonel Wolseley immediately sent out a fresh messenger to Captain Scott.

The propeller "International" arrived from Frog Point at 7:30 P.M.

Mr. Monkman arrived this morning at 8 A.M., and, after an interview with Colonel Wolseley, was sent off, accompanied by Lieutenant Denison, to catch up Captain Buller's company of the 60th, and show them the right track to the N.W. angle of the Lake of the Woods, also to bring back Captain Scott's Company of the 1st Ontario Militia. Captain Nagle arrived about 4 P.M. bringing a mail, letters from Montreal to the 8th ultimo; also news that Mr. Archibald had arrived in the river, and was on his way up from the Lower Fort in a canoe. A guard of honour was paraded, and preparations made for a salute to be fired in his honour by the Militia Gunners, but he did not arrive till 8:30 P.M. He was accompanied by Mr. Hill, Private Secretary; after he had dinner, he joined the party in Mr. Smith's dining-room, and his health and welcome was proposed by Mr. Smith and drank by the party. In returning thanks, he paid a high tribute to Colonel Wolseley and the Officers and men of the Expedition, to whom, he said, he owed the fact of his being able to enter the Province, after he had been nominated Governor. He had written and forwarded from the Lower Fort a highly complimentary letter to Colonel Wolseley, which runs thus:—

Friday,
September 2nd, 1870.
Fort Garry.

"Indian Mission, Red River,

"September 2nd, 1870.

"Dear Colonel Wolseley,

"I take the earliest opportunity in my power to congratulate you on the magnificent success of the Expedition under your command. I can judge of the work you have had to do all the better from having seen for myself the physical obstacles that had to be met and overcome, obstacles which I assure you exceed anything I could have imagined.

"It is impossible not to feel that the men who have triumphed over such difficulties must not only have themselves worked well, but also must have been well led, and I should not be doing justice to my own feelings, if I were not on my arrival here to repeat the expression of admiration extorted from me, as I passed along, in view of the difficulties you had to meet, and which you have so triumphantly surmounted.

"I have, &c.

"(Signed) A. G. ARCHIBALD."

The weather was gloomy to-day, cold and showery, very unlike what the weather at this season usually is here, at least according to the experience of the "oldest inhabitant." About 11 p.m. the floating bridge over the Assiniboine River was carried away by a freshet; the river rose about 6 inches, but fell again during the night. No damage was done, the bridge only parted in the middle, and the scows (of which it was composed), floated away to the bank where they remained.

Saturday,
September 3rd, 1870.
Fort Garry.

The salute in honour of the arrival of the Lieutenant-Governor was fired this morning. Colonel Wolseley's canoe started at 9 a.m., with 25 days' rations, to make the best of its way up the Winnipeg River to the N.W. corner of the Lake of the Woods, there to await Colonel Wolseley's arrival.

Departure from Fort
Garry of the remain-
der of the Regular
Troops.

The detachments of Royal Artillery and Royal Engineers, under Lieutenants Alleyne and Heneage, also started by boat on their way up the Winnipeg River, and thus there now remain no regular troops in Fort Garry. The arrangements for the Control Department during the winter for the two regiments of Militia, were put in orders (subject to approval), on the 1st instant.

Mr. Beamish, of the Commissariat Department, was sent off to-day to St. Paul's to make contracts for a supply of pork, enough for 60 days, as a reserve supply in case of accident during the winter.

Letters and telegrams for Montreal were sent off by Lieutenant-Colonel McNeill, V.C., who left Fort Garry in the steamer "International" for Frog Point, about 200 miles below St. Cloud. This steamer belongs to the Hudson Bay Company, but sails under an American licence, being in American waters. She is very long, too long for the numerous bends of the Red River, flat-bottomed, and draws about 2 feet of water. She is a propeller, and could accommodate a large number of troops if necessary. When the water is high she can ascend the Red River as far as Fort Abercromby, 70 miles above Frog Point.

Forwarded for the Lieutenant-General's information, and for transmission to the Quartermaster-General of the Army, Horse Guards.

G. J. WOLSELEY, Colonel,
Commanding Red River Expedition.

Fort Garry, 3rd September 1870.

MAPS

TO ILLUSTRATE THE CORRESPONDENCE

RELATIVE TO THE

RECENT EXPEDITION

TO THE

RED RIVER SETTLEMENT,

WITH

JOURNAL OF OPERATIONS.

Presented to both Houses of Parliament by Command of Her Majesty, 1871.

LONDON :
HARRISON AND SONS, ST. MARTIN'S LANE.

1871.

[C 324. Price 3/-.]

LIST OF PLATES.

LINE OF ROUTE BETWEEN LAKE SUPERIOR AND RED RIVER SETTLE-
MENT.

SKETCH OF ROAD FROM PRINCE ARTHUR'S LANDING,
THUNDER BAY, LAKE SUPERIOR TO LAKE SHEBANDOWAN SHEET I.

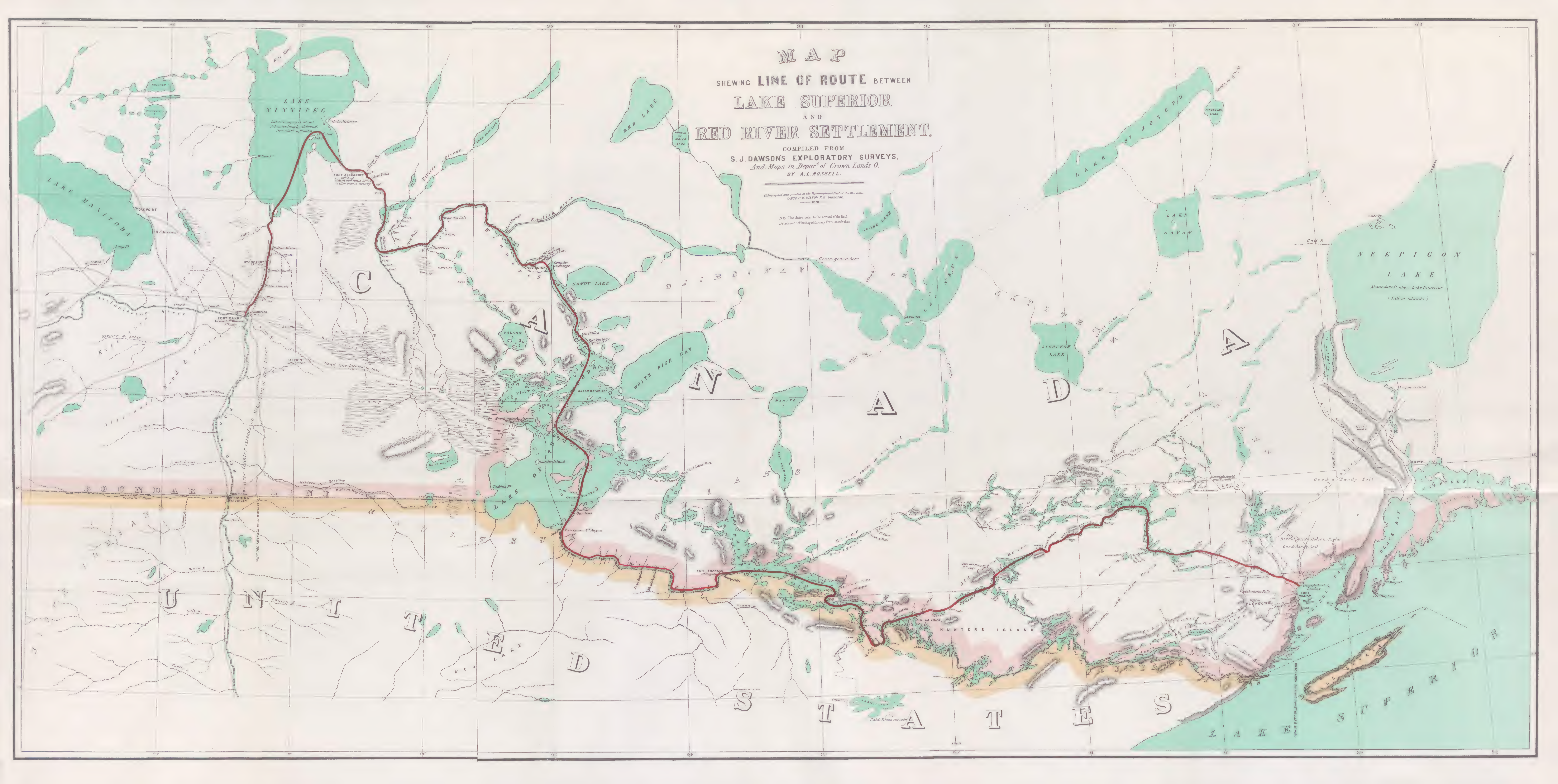
DITTO DITTO SHEET II.

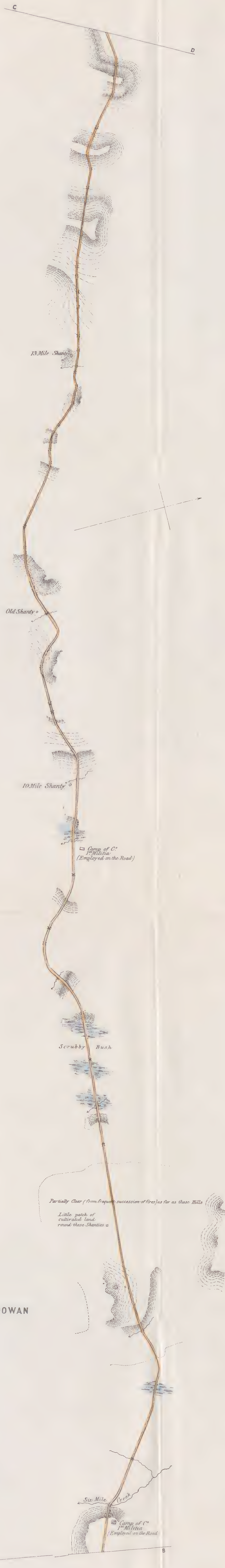
M A P
SHEWING LINE OF ROUTE BETWEEN
LAKE SUPERIOR
AND
RED RIVER SETTLEMENT.

COMPILED FROM
S. J. DAWSON'S EXPLORATORY SURVEYS,
And Maps in Depar^t of Crown Lands O.
BY A. L. RUSSELL.

Engraved and printed at the Department of the War Office,
CAPT. L. W. WILSON R. E. DIRECTOR
1870

N.B. The dates refer to the arrival of the first
Detachment of the Expeditionary Force at each place.





SKETCH OF ROAD

FROM PRINCE ARTHUR'S LANDING, THUNDER BAY, L. SUPERIOR TO LAKE SHEBANDOWAN
AS TRAVERSED BY THE RED RIVER EXPEDITIONARY FORCE.

SURVEYED

BY
CAPTAIN G. L. HUYSHE,
Rifle Brigade,

20th July 1870.

N.B. The Distances are from Prince Arthur's Landing.

All Buildings and Bridges are of Wood.

Where the Road is marked thus ——— it is Cross laid or Corduroyed.

Scale 4 Inches to One Mile.



Enlarged at the TOPOGRAPHICAL DEPOT of the WAR OFFICE
CAPT. C. W. WILSON, R.E. DIRECTOR
1870

SHEBANDOWAN
LAKE

McNeil's Bay

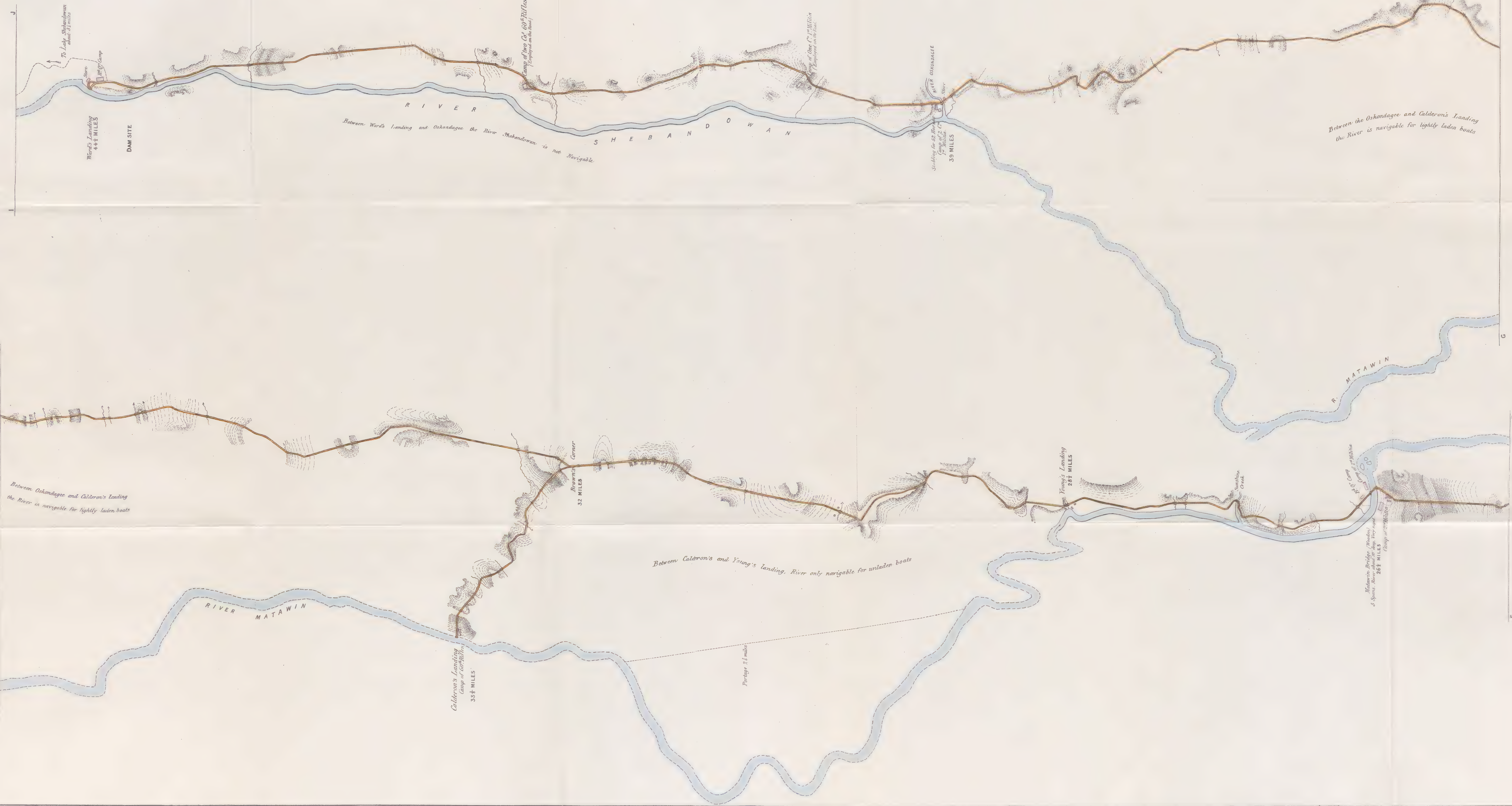
RIVER

Blazed Pathway through the Woods

SHEBANDOWAN

Between Wards Landing and Oshondage the River Shebandowan is not Navigable

Between the Oshondage and Calderon's Landing the River is navigable for lightly laden boats



C A N A D A.

RETURN to an Address of the Honourable The House of Commons,
dated 18 April 1872;—for,

“COPIES of CORRESPONDENCE between Lord *Elgin* and Sir *John Pakington*,
dated the 2nd day of August 1852 :

“Of EXTRACTS from a REPORT of the Executive Council of *Canada*, dated
the 31st day of July 1852 :

“And of another EXTRACT from a REPORT of the same, dated the 31st day
of July 1852.”

Colonial Office, }
7 May 1872. }

E. H. KNATCHBULL-HUGESSEN.

(No. 66.)

The Earl of *Elgin and Kincardine* to the Right Honourable Sir
J. S. Pakington, Bart.

Government House, Quebec,
2 August 1852.

Sir,

IN reply to your Despatch, No. 31,* of the 26th of May, I have the honour
to enclose, herewith, the copy of a Minute of the Executive Council, stating the
grounds on which it is recommended by this Government that the Acts therein
referred to should be left to their operation in the usual manner by an Order of
the Queen in Council.

31 July.

I have, &c.
(signed) *Elgin and Kincardine.*

The Right Honourable
Sir *J. S. Pakington*, Bart.,
&c. &c. &c.

(No. 1.)

EXTRACT from a REPORT of a Committee of the Honourable the Executive
Council, approved by his Excellency the Governor General in Council,
31st July 1852.

ON the Despatch from the Right Honourable Sir John Pakington, Her
Majesty's Principal Secretary of State for the Colonies, to his Excellency the
Governor General, instructing his Excellency to report his opinion whether,
since Her Majesty's Government have decided that it is impossible, under
existing circumstances, to apply to the Imperial Parliament for the desired
assistance to aid the construction of a marine trunk line of railway in
Canada, it would be proper that the Railroad Acts passed in the Session of
1851

No. 31.
26 May 1852.

* *Vide* Command Paper, 14th June 1852, page 19.

1851, the operation of which is made contingent upon the question of affording to the trunk line of railway the pecuniary assistance of this country, should be left to their operation in the usual manner by an Order of the Queen in Council, or whether Her Majesty should abstain from making any Order thereon.

The Committee of Council have delayed advising your Excellency on the subject of these Acts, until the Board of Railway Commissioners should have reported their opinion as to the mode by which the trunk line of railway between Quebec and Hamilton could be constructed most advantageously to the public. The Board of Railway Commissioners having made their report recommending that the said railway should be constructed through the instrumentality of the Companies incorporated by the Acts of the last Session of Parliament, the Committee of Council are now prepared to advise your Excellency to report to Sir John Pakington, according to his request, that the Acts referred to in his Despatch of the 26th May ultimo, should be left to their operation in the usual manner by an Order of the Queen in Council.

Certified,
Wm. H. Lee, Acting Clerk,
 Executive Council.

(No. 2.)

EXTRACT from a REPORT of a Committee of the Honourable the Executive Council, approved by his Excellency the Governor General in Council, on the 31st July 1852.

ON the report of the Chairman of the Board of Railway Commissioners, dated 30th July 1852, stating that, under existing circumstances mentioned in said report, they are of opinion that the best mode of constructing the main trunk line of railway from the city of Quebec, or a point opposite thereto, to the city of Hamilton, or to some convenient point on the line of the Great Western Railroad, will be through the instrumentality of the Companies already incorporated for that purpose by the Legislature, and which are entitled to the Provincial guarantee for one-half of the cost under the provisions of the Act 14 & 15 Vict. c. 73, and recommending, therefore, that a Proclamation be issued declaring that the main trunk line of railway may be undertaken by private companies thereunto authorised by the Legislature.

The Committee advise that the recommendation of the Board of Railway Commissioners be acted on, and that a Proclamation issue accordingly.

Certified,
Wm. H. Lee, Acting Clerk,
 Executive Council.

CANADA.

COPIES of CORRESPONDENCE between Lord
Elgin and *Sir John Pakington*, dated 2 August
1852; of EXTRACTS from a REPORT of the
Executive Council of *Canada*, dated 31 July
1852; and of another EXTRACT from a REPORT
of the same, dated 31 July 1852.

(*Mr. Whatman.*)

Ordered, by The House of Commons, to be Printed,
9 May 1872.

194.

Under 1 oz.

CORRESPONDENCE

WITH THE

GOVERNMENT OF CANADA.

IN CONNECTION WITH THE

APPOINTMENT OF THE JOINT HIGH COMMISSION

AND THE

TREATY OF WASHINGTON.

Presented to both Houses of Parliament by Command of Her Majesty,
April, 1872.



LONDON:

PRINTED BY WILLIAM CLOWES & SONS, STAMFORD STREET AND CHARING CROSS,
 FOR HER MAJESTY'S STATIONERY OFFICE.

1872.

[C.—539.] Price 2½d.

SCHEDULE.

Number in Series.	From whom.	Date and Number.	SUBJECT.	Page.
1	Sir John Young to Earl Granville.	9 June, 1870 (No. 131)	Reports departure of Hon. A. Campbell for England, for the purpose of communicating with Her Majesty's Government on Canadian affairs.	1
2	Ditto. Ditto.	6 July, 1870 (No. 154)	Instructions to Mr. Campbell in reference to Fishery Question. Transmits copy of Minute of Privy Council covering Memoranda for Mr. Campbell's guidance in bringing the subject before Her Majesty's Government.	2
3	Earl of Kimberley to Sir John Young.	July 27, 1870 (No. 198) (Extract)	Mr. Campbell's Mission to England.—Recapi- tulates and comments upon the various ques- tions discussed with Mr. Campbell.	2
4	Earl of Kimberley to Lord Lisgar.	Feb. 16, 1871 (Confidential)	Views of Her Majesty's Government upon the Fishery Question.	3
5	Ditto. Ditto.	March 17, 1871 (No. 374)	Sale of Inshore Fisheries. Opinion upon Treaties made by Her Majesty's Government with any Foreign Power.	4
6	Ditto. Ditto.	June 17, 1871 (No. 444)	Transmits copy of Treaty signed by the Joint High Commissioners at Washington, and of the Instructions to Her Majesty's High Com- missioners, and Protocols of Conferences.	4
7	Ditto. Ditto.	June 20, 1871 (No. 445)	Losses inflicted on Canada by the Fenian Raid. Refers to Despatch No. 444, of the 17th instant.	8
8	Lord Lisgar to Earl of Kimberley.	August 15, 1871 (No. 149)	Transmits Report of Committee of the Privy Council of the Dominion on the Treaty of Washington in so far as it affects Canada.	9
9	Earl of Kimberley to Lord Lisgar.	Nov. 23, 1871 (No. 561)	Washington Treaty. Appointment of the Joint Commission. Fishery Clauses. Justification of course adopted.	11
10	Lord Lisgar to Earl of Kimberley.	Jan. 22, 1872 (No. 13)	Treaty of Washington. Fisheries. Fenian claims. Termination of Fishery Articles of Treaty on recommendation of Canadian Government, subject to Article 33. Forwards Minute of Council.	12
11	Earl of Kimberley to Lord Lisgar.	March 18, 1872 (No. 58)	Washington Treaty. 1. Fishery Clauses. 2. Fenian Claims. 3. Termination of Fishery Articles 18 to 25 and 30. Canadian Legislation should be brought into force by orders of Governor in Council. When this is done Her Majesty's Govern- ment will propose a guarantee of £2,500,000 for railroad and canals in lieu of Fenian claims. Her Majesty's Government will pay every deference to the wishes of Canada as to termination of Articles of Treaty respect- ing Fisheries.	14

CORRESPONDENCE
WITH THE
GOVERNMENT OF CANADA

IN CONNECTION WITH THE

APPOINTMENT OF THE JOINT HIGH COMMISSION AND THE TREATY
OF WASHINGTON.

No. 1.

CANADA.

No. 1.

SIR JOHN YOUNG to EARL GRANVILLE.

(No. 131.)

Government House, Ottawa, June 9, 1870.

(Received 22nd June, 1870.)

MY LORD,

I HAVE the honour to forward, herewith, a copy of a Minute of the Privy Council, recommending that the Honourable Alex. Campbell, the Postmaster-General, should be authorized to proceed to England, in order to endeavour to "induce Her Majesty's Government to take prompt action in the several matters" which are set forth in the Minute.

June 9, 1870.

2. Mr. Campbell is the Ministerial leader in the Senate, a gentleman of ability and standing, and well versed in Canadian affairs.

He leaves for England in ten days or so from this date.

I have, &c.,

(Signed) JOHN YOUNG.

The Earl Granville, K.G.,
&c. &c. &c

Enclosure in No. 1.

COPY of a REPORT of a COMMITTEE of the Honourable the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL in COUNCIL on the 9th June, 1870.

Enclosure in
No. 1.

" The Committee of the Privy Council having recently had under their consideration a number of questions of great importance to the Dominion, among which are the proposed withdrawal of Imperial troops from Canada, the question of fortifications, the recent invasion of Canadian territory by citizens of the United States, and the previous threats and hostile preparations which compelled the Government to call out the Militia, and to obtain the consent of Parliament to the suspension of the Habeas Corpus Act, the systematic trespasses on Canadian fishing grounds by United States' fishermen, and the unsettled question as to the limits within which foreigners can fish under the Treaty of 1818, are of opinion that it is desirable that their views on all these questions should be personally represented to Her Majesty's Government by a member of the Privy Council, and they recommend that the Honourable the Postmaster-General be requested to proceed to England, and to endeavour to induce Her Majesty's Government to take prompt action in the several matters above referred to, in accordance with the views expressed in the Minutes of Council relating thereto, and in any other Minutes which may hereafter be referred to him.

The Committee of Council are of opinion that the Postmaster-General should call the attention of Her Majesty's Government to the Reports of the 15th and 20th of December last from the Minister of Marine and Fisheries, and should urge the importance of securing, with as little delay as possible, the restoration to Canada of the rights which she enjoyed prior to the Reciprocity Treaty, under the interpretation given to the Treaty of 1818 by the Crown Law Officers of England.

The Committee of Council cannot conceal their apprehension that if the citizens of the United States are any longer permitted, as they have been doing the last four years, to fish in waters where, according to our interpretation of the Treaty of 1818, they are trespassers, it may be more difficult to obtain an amicable solution of the point in dispute.

The Committee of Council are fully alive to the importance of taking action at an early period with regard to the construction of a Pacific railroad through Canadian territory; but they think it better to postpone the consideration of the subject until after the departure of the delegates from British Columbia, when instructions will be sent to the Postmaster-General on this important subject.

Certified,

(Signed) WM. H. LEE, Clerk, P.C.

2 CORRESPONDENCE WITH THE GOVERNMENT OF CANADA.

CANADA.

No. 2.

No. 2.

SIR JOHN YOUNG to EARL GRANVILLE.

(No. 154.)

Niagara, July 6, 1870.

(Received July 26, 1870.)

MY LORD,

1st July,
1870.

I HAVE the honour to forward herewith a copy of a Minute of the Privy Council of the Dominion, covering certain memoranda which have been given to the Honourable A. Campbell for his guidance in bringing under the notice of Her Majesty's Government the present position of the Canadian Fishery question, and the views of this Government thereon.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) JOHN YOUNG.

Enclosure in
No. 2.

Enclosure in No. 2.

COPY of a REPORT of a COMMITTEE of the Honourable the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL in COUNCIL, on 1st July, 1870.

On a Report, dated 20th June, 1870, from the Honourable the Minister of Marine and Fisheries, submitting for the information of your Excellency in Council a memorandum and documents on the fishery question prepared for the Honourable Mr. Campbell, in connection with his mission to England, under the Minute of Council of 9th ult., and stating that these papers inform him of the position of the question at the present time, and of the views expressed on various occasions for several years past by the British and Canadian Governments; and that the instructions which may be addressed to Mr. Campbell with reference to bringing to an early settlement all matters that have been admitted into dispute between the British and American Governments affecting the fisheries should embrace the following principal points:

1. That fishing rights in British American waters shall be in future enforced as they existed and were maintained under the Treaty of 1818, anterior to the Reciprocity Treaty of 1854, in accordance with the laws of nations.

2. That failing such positive enforcement of these undoubted rights, the question arising out of the said Treaty as to the definition of certain limits of exclusion, by headland lines, be referred to a mixed Commission, to be named by the British and American Governments, and to be composed of one Imperial, one United States, and one Canadian Commissioner, providing some independent reference in case of need; the principle on which such Commission shall be chosen and act to be as provided in the Earl of Clarendon's Despatch of 11th May, 1866.

3. That such mixed Commission shall be formed during the current year, and shall, in order to facilitate speedy reference, hold its sittings either at Halifax, Washington, or Ottawa, the negotiations and preliminary arrangements for the same to be carried out between the Governor-General of Canada and the United States' Government, through the British Minister at the American capital.

The Committee recommend that the Report of the Honourable the Minister of Marine and Fisheries be approved and acted on.

(Certified) WM. H. LEE,
Clerk, Privy Council.

No. 3.

No. 3.

The EARL OF KIMBERLEY to SIR JOHN YOUNG.

(No. 198.)

SIR,

Downing Street, July 27, 1870.

ON receiving from Her Majesty the seals of this office, I took an early opportunity of communicating with Mr. Campbell, the Postmaster-General of Canada, who has come to England to place before Her Majesty's Government the views of your Government on various questions connected with the Dominion. Mr. Campbell brought under my consideration the following subjects:—The first was the protection of the Canadian fisheries from encroachments by foreign fishing vessels. On this point I concur with your Ministers that it would be desirable that the questions which have been so long in dispute with the United States as to the geographical limits of the exclusive fishing rights of Canada under the Treaty of 1818, should be settled by a joint British and American Commission, on which the Dominion should be represented. Her Majesty's Government will propose to the United States' Government the appointment of such a Commission.

Now that the instructions given to Her Majesty's cruisers and the Government vessels of Canada have been brought into harmony, I do not think it necessary, in this Despatch, to make any observations on the details of those instructions. I will only remark that I am most anxious to avoid any misunderstanding on this subject between the Imperial and Canadian Governments, and with this view the regulations to be issued for the

fishing season of 1871 should be considered by the two Governments in good time before the season commences. Their nature must, of course, much depend on the establishment and progress of the proposed Commission, but I shall gladly receive from your Government, at the proper time, any statement on this subject, and shall give it my best attention.

2. The Bill authorizing the guarantee of the Fortification Loan, on which Mr. Campbell expressed some anxiety, is already before Parliament.

3. Mr. Campbell pressed strongly upon me that a representation should be made to the United States' Government, with reference to the late Fenian incursion into Canada, which has awakened such just feelings of indignation in the Dominion, and he urged the claims of Canada for reparation for the losses which she has sustained by that incursion. Her Majesty's Government have carefully considered what steps it would be advisable to take in this matter, and I have to acquaint you that they are of opinion that, in the first instance, your Ministers should draw up a full and authentic statement of the facts, and of the claims which they found upon them. This statement should be transmitted by you to Her Majesty's Government, in order that it may be laid by them before the Government of the United States, and I need scarcely say that whilst it should contain everything which is material to the case, it should be a document of such a character as may properly be communicated to the Government of a State with which Her Majesty is on terms of amity.

4. Mr. Campbell, whilst stating the entire willingness of the Canadian Government to take measures for the defence of the Dominion, expressed a hope that an Imperial garrison would be maintained at Quebec. You are so well acquainted with the general policy of Her Majesty's Government as to the distribution of Imperial troops, that I need not enter into any further explanation of that policy; and as regards the particular question of the garrison of Quebec, you are already aware that it has been decided that a battalion of infantry and a battery of artillery shall remain there during the coming winter. I cannot conclude without acknowledging the able and temperate manner in which Mr. Campbell brought under my consideration the various questions which have been discussed between us. The opportunity which I have had of explaining to him the views of Her Majesty's Government has made it unnecessary for me to do more than briefly indicate in this Despatch the course which it is proposed to take.

Sir John Young, Bart., G.C.B.,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 4.

No. 4.

The EARL-OF KIMBERLEY to The LORD LISGAR.

(Confidential.)

MY LORD,

Downing Street, February 16, 1871.

YOU have already been informed by telegram of the views of Her Majesty's Government upon the Fishery Questions, but I think it will be convenient, with reference to the pending negotiations, that a somewhat fuller statement of those views should now be placed on record.

It would not be possible for Her Majesty's Government to pledge themselves to any foregone conclusion upon any particular point connected with these negotiations, but they have anxiously considered the questions which concern Canada, and they feel confident that the Canadian Government will agree with them that a satisfactory termination of the difficulties which have arisen with the United States can only be attained by taking as broad and liberal a view as is consistent with the just rights and real interests of the Dominion.

As at present advised, Her Majesty's Government are of opinion that the right of Canada to exclude Americans from fishing in the waters within the limits of three marine miles of the coast is beyond dispute, and can only be ceded for an adequate consideration.

Should this consideration take the form of a money payment, it appears to Her Majesty's Government that such an arrangement would be more likely to work well than if any conditions were annexed to the exercise of the privilege of fishing within the Canadian waters.

The presence of a considerable number of cruisers would always be necessary to secure the performance of such conditions, and the enforcement of penalties for the non-observance of them would be certain to lead to disputes with the United States.

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CANADA. — With respect to the question, What is a bay or creek, within the meaning of the first Article of the Treaty of 1818, Her Majesty's Government adhere to the interpretation which they have hitherto maintained of that Article; but they consider that the difference which has arisen with the United States on this point might be a fit subject for compromise.

The exclusion of American fisherman from resorting to Canadian ports, "except for " the purpose of shelter and of repairing damages therein, of purchasing wood, and of " obtaining water," might be warranted by the letter of the Treaty of 1818, and by the terms of the Imperial Act 59 George III., cap. 38, but Her Majesty's Government feel bound to state that it seems to them an extreme measure, inconsistent with the general policy of the Empire, and they are disposed to concede this point to the United States' Government, under such restrictions as may be necessary to prevent smuggling, and to guard against any substantial invasion of the exclusive rights of fishing which may be reserved to British subjects.

In conclusion I have to state that Her Majesty fully appreciates the loyal and prompt manner in which the Canadian Government have assented to the appointment of the Commission which is about to sit at Washington. The high character and recognized ability of the British Commissioners afford ample security that the interests of Canada will be carefully protected during the forthcoming negotiations.

The Lord Lisgar, I am, &c.,
&c. &c. &c. (Signed) KIMBERLEY.

No. 5. No. 5.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 374.) MY LORD, Downing Street, March 17, 1871.

IN answer to your telegram received on the 10th instant, stating that in the opinion of your Government the Canadian fisheries cannot be sold without the consent of the Dominion, I have already informed your Lordship by telegraph that Her Majesty's Government never had any intention of advising Her Majesty to part with those fisheries without such consent.

When the Reciprocity Treaty was concluded, the Acts of the Nova Scotian and New Brunswick Legislatures relating to the fisheries were suspended by Acts of those Legislatures, and the fishery rights of Canada are now under the protection of a Canadian Act of Parliament, the repeal of which would be necessary in case of the cession of those rights to any Foreign Power.

I think it right, however, to add that the responsibility of determining what is the true construction of a Treaty made by Her Majesty with any Foreign Power, must remain with Her Majesty's Government, and that the degree to which this country would make itself a party to the strict enforcement of Treaty rights may depend not only on the literal construction of the Treaty, but on the moderation and reasonableness with which those rights are asserted.

The Lord Lisgar, I have, &c.,
&c. &c. &c. (Signed) KIMBERLEY.

No. 6. No. 6.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 444.) MY LORD, Downing Street, June 17, 1871.

I HAVE the honour to enclose herewith copies of the Treaty signed at Washington on May 8th by the Joint High Commissioners, which has been ratified by Her Majesty and by the President of the United States, and of the instructions to Her Majesty's High Commissioners, and Protocols of the conferences held by the Commission.

The Dominion is, from its geographical position as the immediate neighbour of the United States, so peculiarly interested in the maintenance of cordial relations between

Vide Com-
mand Paper
[c. 344] of
1871.

that Republic and the British Empire, that it must be a source of satisfaction to the Canadian Government that Her Majesty has been able to conclude a Treaty for the amicable settlement of differences which might have seriously endangered the good understanding between the two countries.

Moreover the rules laid down in Article 6 as to the international duties of neutral Governments are of special importance to the Dominion, which carries on such an extensive and increasing maritime commerce, and possesses such a considerable merchant navy.

But independently of the advantages which Canada must derive from the removal of the causes of difference with the United States, arising out of occurrences during the civil war, Her Majesty's Government believe that the settlement which has been arrived at of the questions directly affecting British North America cannot fail to be beneficial to the Dominion. I need not refer to the well-known history of the Fishery Question further than to observe that ever since the termination by the British Government, in consequence of the war of 1812, of the liberty enjoyed under the Treaty of 1783 by American citizens of fishing in the territorial waters of the British Colonies, and the renunciation by the United States in the Treaty of 1818 of all claim to that liberty, this question has, in different forms, been the subject of controversy with the United States. Her Majesty's Government have always contended for the rights of the Colonies, and they have employed the British naval forces in the protection of the colonial fisheries; but they could not overlook the angry feelings to which this controversy has given rise, and the constant risk that in the enforcement of the exclusion of American fishermen from the colonial waters a collision might take place which might lead to the most serious consequences, and they would have been wanting in their duty if they had not availed themselves of the opportunity presented by the late negotiation to remove a cause of perpetual irritation and danger to the relations of this country and the Dominion with the United States.

The Canadian Government itself took the initiative in suggesting that a joint British and American Commission should be appointed with a view to settle the disputes which had arisen as to the interpretation of the Treaty of 1818; but it was certain that however desirable it might be, in default of any complete settlement, to appoint such a Commission, the causes of the difficulty lay deeper than any question of interpretation, and the mere discussion of such points as the correct definition of bays could not lead to a really friendly agreement with the United States. It was necessary, therefore, to endeavour to find an equivalent which the United States might be willing to give in return for the fishery privileges, and which Great Britain, having regard both to Imperial and Colonial interests, could properly accept. Her Majesty's Government are well aware that the arrangement which would have been most agreeable to Canada was the conclusion of a Treaty similar to the Reciprocity Treaty of 1854, and a proposal to this effect was pressed upon the United States' Commissioners, as you will find in the 36th Protocol of the Conferences. This proposal was, however, declined, the United States' Commissioners stating "that they could hold out no hope that the Congress of the United States would give its consent to such a tariff arrangement as was proposed, or to any extended plan of reciprocal free admission of the products of the two countries." The United States' Commissioners did, indeed, propose that coal, salt, and fish should be reciprocally admitted free, and lumber after the 1st of July, 1874; but it is evident that, looked at as a tariff arrangement, this was a most inadequate offer, as will be seen at once when it is compared with the long list of articles admitted free under the Reciprocity Treaty. Moreover, it is obvious from the frank avowal of the United States' Commissioners that they only made this offer because one branch of Congress had recently, more than once, expressed itself in favour of the abolition of duties on coal and salt, and because Congress had partially removed the duty from lumber, and the tendency of legislation in the United States was towards the reduction of taxation and of duties, so that to have ceded the fishery rights in return for these concessions would have been to exchange them for commercial arrangements which there is reason to believe may, before long, be made without any such cession, to the mutual advantage of both the Dominion and the United States; and Her Majesty's Government are bound to add that whilst, in deference to the strong wishes of the Dominion Government, they used their best efforts to obtain a renewal in principle of the Reciprocity Treaty, they are convinced that the establishment of free-trade between the Dominion and the United States is not likely to be promoted by making admission to the fisheries dependent upon the conclusion of such a Treaty, and that the repeal by Congress of duties upon Canadian produce on the ground that a protective tariff is injurious to the country which imposes it, would place the commercial relations of the two countries on a far more secure and lasting basis than the stipulations

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of a Convention framed upon a system of reciprocity. Looking, therefore, to all the circumstances, Her Majesty's Government found it their duty to deal separately with the fisheries, and to endeavour to find some other equivalent; and the reciprocal concession of free fishery with free import of fish and fish oil, together with the payment of such a sum of money as may fairly represent the excess of value of the colonial over the American concession, seems to them to be an equitable solution of the difficulty. It is perfectly true that the right of fishery on the United States' coasts, conceded under Article 19, is far less valuable than the right of fishery in colonial waters, conceded under Article 18 to the United States; but, on the other hand, it cannot be denied that it is most important to the colonial fishermen to obtain free access to the American market for their fish and for fish oil, and the balance of advantage on the side of the United States will be duly redressed by the arbitrators under Article 22. In some respects a direct money payment is, perhaps, a more distinct recognition of the rights of the Colonies than a tariff concession, and there does not seem to be any difference in principle between the admission of American fishermen for a term of years in consideration of the payment of a sum of money in gross, and their admission under the system of licences calculated at so many dollars per ton, which was adopted by the Colonial Government for several years after the termination of the Reciprocity Treaty. In the latter case it must be observed the use of the fisheries was granted without any tariff concession whatever on the part of the United States, even as to the importation of fish.

Canada could not reasonably expect that this country should, for an indefinite period, incur the constant risk of serious misunderstanding with the United States, imperilling, perhaps, the peace of the whole Empire, in order to endeavour to force the American Government to change its commercial policy; and Her Majesty's Government are confident that when the Treaty is considered as a whole, the Canadian people will see that their interests have been carefully borne in mind, and that the advantages which they will derive from its provisions are commensurate with the concessions which they are called upon to make. There cannot be a question as to the great importance to Canada of the right to convey goods in bond through the United States, which has been secured to her by Article 29; and the free navigation of Lake Michigan under Article 28, and the power of transshipping goods under Article 30, are valuable privileges which must not be overlooked in forming an estimate of the advantages which Canada will obtain. Her Majesty's Government have no doubt that the Canadian Government will readily secure to the citizens of the United States, in accordance with Article 27, the use of the Canadian canals, as by the liberal policy of the Dominion those canals are already opened to them on equal terms with British subjects, and they would urge upon the Dominion Parliament and the Legislature of New Brunswick that it will be most advisable to make the arrangement as to duties on lumber floated down the St. John River, upon which the execution of Article 30 as to the transshipment of goods is made contingent.

The freedom to navigate the St. Lawrence, which is assured to the United States by Article 26, has long existed in fact, and its recognition by Treaty cannot be prejudicial to the Dominion, which moreover obtains in return the free use of certain rivers on the Pacific side of the continent.

I must not omit to notice that by Article 34 the dispute as to the Island of St. Juan is to be submitted to arbitration, and provision has thus happily been made for the amicable termination of a long-standing and difficult controversy, at a time when, in consequence of the union of British Columbia with the Dominion, this boundary question has become matter of interest to the whole Confederation of British Provinces.

I have thus gone through those parts of the Treaty which immediately touch the Dominion, but a question of much moment remains as to the course which should be taken during the present fishing season, pending the enactment by the respective Legislatures of the laws necessary to bring the fishery articles into operation.

I find that on the conclusion of the Reciprocity Treaty in June, 1854, and previous to its ratification, the then American Secretary of State, Mr. Marcy, expressed the hope of his Government that American fishermen would not be molested if they should at once attempt to use the privileges granted by that Treaty. A Despatch was therefore addressed to the Governors of the North American colonies, recommending that the wish of the United States' Government should be acceded to, and that the American fishermen should be immediately admitted to the Colonial fisheries. The result was that the various Colonial Governments at once admitted the American fishermen to the fisheries, although the legislative acts necessary to give effect to the Treaty were not passed till late in the autumn. It is evidently most desirable that a similar course should be pursued on the present occasion; and you will perceive from the Notes which have

passed between Sir E. Thornton and Mr. Fish, copies of which I enclose, that the United States' Government have made an application similar to that which they made in 1854, and that Her Majesty's Government have engaged to recommend to the Colonial Governments that it should be acceded to. Her Majesty's Government are, of course, aware that the Colonial Governments have no power to set aside the fishery statutes by their own authority; but it is entirely within their power to take no active steps to enforce those statutes, and to suspend the instructions to the colonial cruisers to exclude American citizens from the fisheries, just as it is in the power of Her Majesty's Government to suspend the action of Her Majesty's cruisers, although the Imperial Fishery Statute is still in force.

Her Majesty's Government have no desire whatever to attempt to interfere with the entire right of the Colonial Legislatures to refuse to pass the Acts necessary to give effect to the Treaty, though they would deeply deplore that a course which they believe would be most impolitic should be taken; but, on the other hand, they have too much confidence in the wisdom of those free Assemblies to anticipate any such result, and they are confident that the Canadian Government would be as desirous as Her Majesty's Government that no untoward collision should occur during the present season which might prejudice the fair consideration of the Treaty, both by the American Congress and the Colonial Parliaments, and that on a full consideration of the circumstances, they will see that the responsibility of incurring the risk of such a collision would be far heavier than that of removing, so far as they have the power, the obstacles to the provisional enjoyment by American citizens of the privileges which it is intended by the Treaty to secure to them for a longer time.

I cannot conclude this Despatch without expressing the gratification which it has given Her Majesty's Government to have had the valuable assistance of Sir J. Macdonald in the negotiation of this Treaty. Whatever view may be taken in Canada of the merits of the Treaty, it must be an unqualified cause of satisfaction to the Canadians to know that they were represented by a statesman holding so distinguished a position in the Canadian Government, and so well able, from his knowledge and experience, to put forward, with the greatest force and authority, the arguments best suited to promote the claims and interests of the Dominion.

The Lord Lisgar,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

Enclosures in No. 6.

MY LORD,

Washington, May 12, 1871.

Enclosures in
No. 6

With reference to my Despatches, Nos. 146 and 147 of the 8th instant, I have the honour to enclose copy of a note addressed to me by Mr. Fish, expressing the hope entertained by the Government of the United States that Her Majesty's Government will urge the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland to consent that American fishermen should be allowed to fish in the waters of the above Colonies during the coming season.

Your Lordship will observe that at the beginning of the second paragraph of the draft of the note which I forwarded in my Despatch, No. 146, the following words have been added:—"The Government of the United States would be prepared at the same time to admit British subjects to the right of fishing in the waters of the United States specified in the Treaty; but"

I also enclose copy of my answer to Mr. Fish, and hope your Lordship will find that his note, with the addition above mentioned, and my answer, are in accordance with the terms of your Lordship's telegram of 9th instant, transmitted through Earl de Grey.

His Lordship has seen both the enclosed notes, and approves of their contents.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) EDWARD THORNTON.

SIR,

Department of State, Washington, May 8, 1871.

As several Articles of the Treaty which has been signed this day, relating to the admission of citizens of the United States to fish within the territorial waters of Her Britannic Majesty on the coasts of Canada, Prince Edward Island, and Newfoundland, cannot come into full operation until the legislation contemplated in that instrument shall have taken place, and as it seems to be in accordance with the interests of both Governments, in furtherance of the objects and spirit of the Treaty, that the citizens of the United States should have the enjoyment of that liberty during the present season, I am directed by the President to express to you his hope that Her Majesty's Government will be prepared, in the event of the ratification of the Treaty, to make on their own behalf, and to urge the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland, to make for the season referred to within

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their respective jurisdictions such relaxations and regulations as it may respectively be in their power to adopt, with a view to the admission of American fishermen to the liberty which it is proposed to secure to them by the Treaty. The Government of the United States would be prepared at the same time to admit British subjects to the right of fishing in the waters of the United States, specified in the Treaty; but as the admission into the United States free of duty of any articles which are by law subject to duty cannot be allowed without the sanction of Congress, the President will, in case the above suggestion meets with the views of the British Government, recommend and urge upon Congress at their next session, that any duties which may have been collected on and after the 1st day of July next, on fish-oil and fish (except fish of the inland lakes and of the rivers falling into the same, and except fish preserved in oil), the produce of the fisheries of the Dominion of Canada and of Prince Edward Island, shall be returned and refunded to the parties paying the same, if a similar arrangement is made with respect to the admission into the British possessions of fish-oil and fish (with the like exception), being the produce of the fisheries of the United States.

Sir E. Thornton, K.C.B.,
&c. &c. &c.

I have, &c.,
(Signed) HAMILTON FISH.

SIR,

Washington, May 9, 1871.

I have the honour to acknowledge the receipt of your note of yesterday's date, and to inform you in reply that I have been authorized by Earl Granville to state that in the event of the ratification of the Treaty signed yesterday, Her Majesty's Government will be prepared to recommend to the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland, that the provisional arrangement proposed in your note above mentioned, with regard to the right of fishing by United States' citizens on the coasts of those British possessions and by British subjects in the waters of the United States described in Article XIX. of the Treaty, shall take effect during the coming season, on the understanding that the ultimate decision of this question must rest with the above-mentioned Colonial Governments, who would be asked to grant the immediate and certain right of fishing within the territorial waters of those Colonies, whilst the return of the import duties on fish from the 1st July next promised by the United States is prospective and contingent on the action of Congress.

The Hon. Hamilton Fish,
&c. &c. &c.

I have, &c.,
(Signed) EDWARD THORNTON.

No. 7.

No. 7.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 445.)

MY LORD,

Downing Street, June 20, 1871.

IN accordance with the strong wish expressed by the Dominion Government, that a representation should be made to the United States with reference to the losses inflicted on Canada by the Fenian raids, Her Majesty's Government instructed the British High Commissioners to bring the claims arising out of those raids before the Joint High Commission.

Your Lordship will observe from the Protocols of Conferences, copies of which were transmitted to you in my Despatch, No. 444,* of the 17th inst., that the American Commissioners declined to entertain the proposal made by the British Commissioners to include these claims in the Treaty.

Her Majesty's Government were well aware of the serious difficulties in the way of settling this question, and they could not, therefore, feel surprised at this result. At the same time, it was with much regret that they acquiesced in the omission of these claims from the general settlement of outstanding questions between Great Britain and the United States.

But it seemed to them evident that the British Commissioners were right in thinking that there was no reasonable probability that by further pressing the point an agreement would be come to upon it with the American Commissioners, and when the choice lay between the settlement of all the other differences between the two countries on terms which Her Majesty's Government believed to be honourable to both, and beneficial alike to Canada and the rest of the Empire, and the frustration of all hope of bringing the negotiations to a satisfactory issue, they could not hesitate as to the course which it was their duty to take.

The Lord Lisgar,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

* Page 4.

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9

No. 8.

CANADA.

No. 8.

The LORD LISGAR to The EARL OF KIMBERLEY.

(No. 149.)

Cacouna, August 15, 1871.

(Received August 30, 1871.)

(Answered, No. 561, November 23, 1871, page 11.)

MY LORD,

WITH reference to your Lordship's Despatch, No. 444,* of the 17th June, which I duly referred to the Privy Council of the Dominion, I have the honour to transmit, herewith, the Report of a Committee of that body, containing their views on the subject of the Treaty of Washington, in so far as it affects the interests of Canada.

* Page 4.
July 28, 1871.

I have, &c.,

(Signed) LISGAR.

The Earl of Kimberley,
&c. &c. &c.

Enclosure in No. 8.

Enclosure in
No. 8.

Privy Council Chamber, Ottawa, Friday, July 28, 1871.

Present:—The Hon. Dr. Tupper, in the chair; the Hon. Sir John A. Macdonald, the Hon. Sir George Et. Cartier, the Hon. Mr. Tilley, the Hon. Mr. Mitchell, the Hon. Mr. Campbell, the Hon. Mr. Chapais, the Hon. Mr. Langevin, the Hon. Mr. Howe, the Hon. Sir Francis Hincks, the Hon. Mr. Dunkin, the Hon. Mr. Aikins.

To His Excellency the Right Hon. John, Baron LISGAR, G.C.B., G.C.M.G., P.C.,
Governor-General of Canada, &c. &c. &c.

MAY IT PLEASE YOUR EXCELLENCY,

The Committee of the Privy Council have had under their consideration the Earl of Kimberley's Despatch to your Excellency, dated the 17th June ult., transmitting copies of the Treaty signed at Washington on the 8th May last by the Joint High Commissioners, and which has since been ratified by Her Majesty and by the United States of America; of the instructions to Her Majesty's High Commissioners, and of the Protocols of the Conferences held by the Commission; and likewise the Earl of Kimberley's Despatch of the 20th of June ult., explaining the failure of Her Majesty's Government to obtain the consideration, by the United States' Commissioners, of the claims of Canada for the losses sustained owing to the Fenian raids of 1866 and 1870.

No. 444.

The Committee of the Privy Council have not failed to give their anxious consideration to the important subjects discussed in the Earl of Kimberley's Despatches, and they feel assured that they will consult the best interests of the Empire by stating frankly, for the information of Her Majesty's Government, the result of their deliberations, which they believe to be in accordance with public opinion in all parts of the Dominion.

No. 445.

The Committee of the Privy Council readily admit that Canada is deeply interested in the maintenance of cordial relations between the Republic of the United States and the British Empire, and they would therefore have been prepared without hesitation to recommend the Canadian Parliament to co-operate in procuring an amicable settlement of all differences likely to endanger the good understanding between the two countries. For such an object they would not have hesitated to recommend the concession of some valuable rights, which they have always claimed to enjoy under the Treaty of 1818, and for which, as the Earl of Kimberley observes, Her Majesty's Government have always contended, both Governments having acted on the interpretation given to the Treaty in question by high legal authorities. The general dissatisfaction which the publication of the Treaty of Washington has produced in Canada, and which has been expressed with as much force in the agricultural districts of the west, as in the maritime provinces, arises chiefly from two causes.

1st. That the principal cause of difference between Canada and the United States has not been removed by the Treaty, but remains a subject for anxiety.

2ndly. That a cession of territorial rights of great value has been made to the United States, not only without the previous assent of Canada, but contrary to the expressed wishes of the Canadian Government.

The Committee of the Privy Council will submit their views on both those points for the information of Her Majesty's Government, in the hope that by means of discussion a more satisfactory understanding between the two Governments may be arrived at. The Earl of Kimberley has referred to the rules laid down in Article 6 of the Treaty of Washington, as to the international duties of neutral Governments as being of special importance to the Dominion; but the Committee of the Privy Council, judging from past experience, are much more apprehensive of misunderstanding owing to the apparent difference of opinion between Canada and the United States as to the relative duties of friendly States in a time of peace. It is unnecessary to enter into any lengthened discussion of the conduct of the United States during the last six or seven years with reference to the organization of considerable numbers of the citizens of those States under the designation of Fenians. The views of the Canadian Government on this subject are in possession of Her Majesty's Government; and it appears from the Protocol of Conference between the High Commissioners that the British Commissioners presented the claims of the people of Canada, and were instructed to state that they were regarded by her Majesty's Government as coming within the class of subjects indicated by Sir Edward Thornton in his letter of 26th January last, as subjects for the consideration of the Joint High Commissioners. The Earl of Kimberley states that it was with much regret that Her Majesty's Government acquiesced in the omission of these claims from the general settlement of outstanding questions between Great Britain and the United States; and the Committee of the Privy Council, while fully participating in that regret, must add that the fact that this Fenian

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organization is still in full vigour, and that there seems no reason to hope that the United States' Government will perform its duty as a friendly neighbour any better in the future than in the past, leads them to entertain a just apprehension that the outstanding subject of difference with the United States is the one of all others which is of special importance to the Dominion. They must add, that they are not aware that during the existence of this Fenian organization, which for nearly seven years has been a cause of irritation and expense to the people of Canada, Her Majesty's Government have made any vigorous effort to induce the Government of the United States to perform its duty to a neighbouring people, who earnestly desire to live with them on terms of amity, and who during the civil war loyally performed all the duties of neutrals to the expressed satisfaction of the Government of the United States. On the contrary, while in the opinion of the Government and the entire people of Canada, the Government of the United States neglected, until much too late, to take the necessary measures to prevent the Fenian invasion of 1870, Her Majesty's Government hastened to acknowledge, by cable telegram, the prompt action of the President, and to thank him for it. The Committee of the Privy Council will only add, on this painful subject, that it is one on which the greatest unanimity exists among all classes of the people throughout the Dominion, and the failure of the High Commissioners to deal with it has been one cause of the prevailing dissatisfaction with the Treaty of Washington.

The Committee of the Privy Council will proceed to the consideration of the other subject of dissatisfaction in Canada, viz. the cession to the citizens of the United States of the right to the use of the inshore fisheries in common with the people of Canada. The Earl of Kimberley, after observing that the Canadian Government took the initiative in suggesting that a joint British and American Commission should be appointed, with a view to settle the disputes which had arisen as to the interpretation of the Treaty of 1818, proceeds to state that "the causes of the difficulty lay deeper than any question of interpretation," that "the discussion of such points as the correct definition of bays could not lead to a friendly agreement with the United States," and that "it was necessary therefore to endeavour to find an equivalent which the United States might be willing to give in return for the fishery privileges."

In the foregoing opinion of the Earl of Kimberley the Committee of the Privy Council are unable to concur, and they cannot but regret that no opportunity was afforded them of communicating to Her Majesty's Government their views on a subject of so much importance to Canada, prior to the meeting of the Joint High Commission.

When the Canadian Government took the initiative of suggesting the appointment of a Joint British and American Commission they never contemplated the surrender of their territorial rights, and they had no reason to suppose that Her Majesty's Government entertained the sentiments expressed by the Earl of Kimberley in his recent Despatch. Had such sentiments been expressed to the delegate appointed by the Canadian Government to confer with his Lordship a few months before the appointment of the Commission, it would at least have been in their power to have remonstrated against the cession of the inshore fisheries; and it would moreover have prevented any member of the Canadian Government from acting as a member of the Joint High Commission unless on the clear understanding that no such cession should be embodied in the Treaty without their consent. The expediency of the cession of a common right to the inshore fisheries has been defended on the ground that such a sacrifice on the part of Canada should be made in the interests of peace. The Committee of the Privy Council, as they have already observed, would have been prepared to recommend any necessary concession for so desirable an object, but they must remind the Earl of Kimberley that the original proposition of Sir Edward Thornton, as appears by his letter of 26th January, was that "a friendly and complete understanding should be come to between the two Governments as to the extent of the rights which belong to the citizens of the United States and Her Majesty's subjects respectively, with reference to the fisheries on the coasts of Her Majesty's possessions in North America."

In his reply, dated 30th January last, Mr. Secretary Fish informs Sir Edward Thornton that the President instructs him to say that "he shares with Her Majesty's Government the appreciation of the importance of a friendly and complete understanding between the two Governments with reference to the subjects specially suggested for the consideration of the proposed Joint High Commission."

In accordance with the explicit understanding thus arrived at between the two Governments, Earl Granville issued instructions to Her Majesty's High Commission, which, in the opinion of the Committee of the Privy Council, covered the whole ground of controversy.

The United States had never pretended to claim a right on the part of their citizens to fish within three marine miles of the coasts and bays, according to their limited definition of the latter term; and although the right to enjoy the use of the inshore fisheries might fairly have been made the subject of negotiation, with the view of ascertaining whether any proper equivalents could be found for such a concession, the United States was precluded by the original correspondence from insisting on it as a condition of the treaty. The abandonment of the exclusive right to the inshore fisheries, without adequate compensation, was not therefore necessary in order to come to a satisfactory understanding on the points really at issue.

The Committee of the Privy Council forbear from entering into a controversial discussion as to the expediency of trying to influence the United States to adopt a more liberal commercial policy. They must, however, disclaim most emphatically the imputation of desiring to imperil the peace of the whole Empire in order to force the American Government to change its commercial policy. They have for a considerable time back ceased to urge the United States to alter their commercial policy, but they are of opinion that when Canada is asked to surrender her inshore fisheries to foreigners, she is fairly entitled to name the proper equivalent. The Committee of the Privy Council may observe, that the opposition of the Government of the United States to reciprocal free trade in the products of the two countries was just as strong for some years prior to 1854 as it has been since the termination of the Reciprocity Treaty, and that the Treaty of 1854 was obtained chiefly by the vigorous protection of the fisheries which preceded it; and that but for the conciliatory policy on the subject of the fisheries, which Her Majesty's Government induced Canada to adopt after the abrogation of the Treaty of 1854 by the United States, it is not improbable that there would have been no difficulty in obtaining its renewal. The Committee of the Privy Council have adverted to the policy of Her Majesty's Government, because the Earl of Kimberley

has stated that there is no difference in principle between a money payment and "the system of licences calculated at so many dollars a ton, which was adopted by the Colonial Government for several years after the termination of the Reciprocity Treaty." Reference to the correspondence will prove that the licence system was reluctantly adopted by the Canadian Government as a substitute for the still more objectionable policy pressed upon it by Her Majesty's Government, it having been clearly understood that the arrangement was of a temporary character. In his Despatch of the 3rd March, 1866, Mr. Secretary Cardwell observed: "Her Majesty's Government do not feel disinclined to allow the United States for the season of 1866 the freedom of fishing granted to them in 1854, on the distinct understanding that unless some satisfactory arrangements between the two countries be made during the course of the year this privilege will cease, and all concessions made in the Treaty of 1854 will be liable to be withdrawn." The principle of a money payment for the concession of territorial rights has ever been most repugnant to the feelings of the Canadian people, and has only been entertained in deference to the wishes of the Imperial Government. What the Canadians were willing under the circumstances to accept as an equivalent was the concession of certain commercial advantages, and it has therefore been most unsatisfactory to them that Her Majesty's Government should have consented to cede the use of the inshore fisheries to foreigners for considerations which are deemed wholly inadequate. The Committee of the Privy Council need not enlarge further on the objectionable features of the Treaty as it bears on Canadian interests. These are admitted by many, who think that Canada should make sacrifices for the general interests of the Empire. The people of Canada, on the other hand, seem to be unable to comprehend that there is any existing necessity for the cession of the right to use their inshore fisheries without adequate compensation. They have failed to discover that in the settlement of the so-called 'Alabama' claims, which was the most important question in dispute between the two nations, England gained such advantages as to be required to make further concessions at the expense of Canada, nor is there anything in the Earl of Kimberley's Despatch to support such a view of the question. The other parts of the Treaty are equally, if not more, advantageous to the United States than to Canada, and the fishery question must, consequently, be considered on its own merits; and if so considered, no reason has yet been advanced to induce Canada to cede her inshore fisheries for what Her Majesty's Government have admitted to be an inadequate consideration. Having thus stated their views on the two chief objections to the late Treaty of Washington, the Committee of the Privy Council will proceed to the consideration of the correspondence between Sir Edward Thornton and Mr. Fish, transmitted in the Earl of Kimberley's Despatch of the 17th of June, and of his Lordship's remarks thereon. This subject has already been under the consideration of the Committee of the Privy Council, and a Report, dated the 7th June, embodying their views on the subject, was transmitted to the Earl of Kimberley by your Excellency. In his Despatch of 26th June, acknowledging the receipt of that Report, the Earl of Kimberley refers to his Despatch of the 17th of that month, and "trusts that the Canadian Government will, on mature consideration, accede to the proposal of the United States' Government on this subject." The Committee of the Privy Council in expressing their adherence to their Report of the 7th of June, must add, that the inapplicability of the precedent of 1854, under which the action of the Canadian Parliament was anticipated by the Government, to the circumstances now existing appears to them manifest. The Treaty of 1854 was negotiated with the concurrence of the Provincial Governments represented at Washington, and met with the general approbation of the people; whereas the fishery clauses of the late Treaty were adopted against the advice of the Canadian Government, and have been generally disapproved of in all parts of the Dominion.

There can hardly be a doubt that any action on the part of the Canadian Government in anticipation of the decision of Parliament would increase the discontent which now exists. The Committee of the Privy Council request that your Excellency will communicate to the Earl of Kimberley the views which they entertain on the subject of the Treaty of Washington in so far as it affects the interests of the Dominion.

(Signed) WM. H. LEE,
Clerk, Privy Council, Canada.

No. 9.

No. 9.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 561.)

MY LORD,

Downing Street, November 23, 1871.

HER Majesty's Government have not failed to consider with attention the Report of the Committee of the Privy Council of the Dominion on the Treaty of Washington, which was enclosed in your Lordship's Despatch, No. 149,* of August 15.

* Page 9.

I need scarcely say that Her Majesty's Government regret that your Ministers should have found so much to object to in the provisions of the Treaty, but they remain themselves of opinion, for the reasons which were fully stated in my Despatch of June 17 last,† that, looked at as a whole, the Treaty is beneficial to the interests of the Dominion. I shall endeavour as far as possible to avoid entering into further discussion of the clauses of the Treaty which apply especially to Canada, as I cannot think that any advantage would result from a prolonged controversy between the two Governments as to the details of the Treaty and the manner in which the negotiation was conducted. There are, however, two or three statements in the Report which it is necessary that I should not leave unnoticed.

† Page 4.

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The Committee seem to be under the impression that the right to participate in the colonial inshore fisheries has been conceded to the United States without the previous consent of Canada. On this I have to observe that provision has been made for obtaining the assent of Canada in the manner which is strictly in accordance with constitutional usage, namely, by stipulating that the Fishery Articles shall not come into force without the previous assent of the Dominion Parliament. If the Crown were to conclude a similar Treaty as regards the fisheries of the United Kingdom, the assent of the Imperial Parliament would be reserved in no other manner.

I must also point out that the Committee are under an entire misapprehension in supposing that the cession of the fishery rights is to be made for "what Her Majesty's Government have admitted to be an inadequate consideration." If you will refer to my Despatch of June 17 you will find that it was there stated that "the reciprocal concession of free fishing, with free import of fish and fish oil, together with the payment of such a sum of money as may fairly represent the excess of value of the Colonial over the American concession, seems to Her Majesty's Government to be an equitable solution of the difficulty."

Lastly, I must advert to the statement that "when the Canadian Government took the initiative in suggesting the appointment of a joint British and American Commission they never contemplated the surrender of their territorial rights, and they had no reason to suppose that Her Majesty's Government entertained the sentiments expressed by the Earl of Kimberley in his recent Despatch. Had such sentiments been expressed to the Delegate appointed by the Canadian Government to confer with his Lordship a few months before the appointment of the Commission, it would at least have been in their power to have remonstrated against the cession of the inshore fisheries, and it would moreover have prevented any member of the Canadian Government from acting as a member of the Joint High Commission, unless on the clear understanding that no such cession should be embodied in the Treaty without their consent."

It is true, no doubt, that in the conversation which I had with Mr. Campbell on the subject of the appointment of a joint British and American Commission, I did not allude to the possibility of such a Commission leading to an arrangement by which United States' fishermen should be admitted to participation in the colonial inshore fisheries, but I could not then anticipate that an extended negotiation, embracing all the questions at issue between Great Britain and the United States, would arise out of the proposal to appoint a Commission upon the fisheries; and when the Joint High Commission was appointed, it was distinctly intimated through your Lordship to Sir John Macdonald, with reference to the fisheries, before he accepted the office of Commissioner, that it was impossible for Her Majesty's Government to pledge themselves to a foregone conclusion on any particular point before entering into the negotiation.

The Lord Lisgar,
&c. &c. &c.

I am, &c.,
(Signed) KIMBERLEY.

No. 10.

No. 10.

The LORD LISGAR to The EARL OF KIMBERLEY.

(No. 13.)

Government House, Ottawa, January 22, 1872.

(Received February 5, 1872.)

(Answered, No. 58, March 18, 1872, page 14.)

MY LORD,

I HAVE the honour to enclose, for your Lordship's consideration, a Minute of the Privy Council of the Dominion, which conveys the reply of that body to your Lordship's Despatch, No. 561,* of the 23rd November last, and urges the request for an Imperial guarantee to a Canadian loan not to exceed four millions, i.e. half the amount to be expended on the railway to the Pacific, and the enlargement of the St. Lawrence canals.

2. This proposal the Council recommend as in their opinion the best mode of adjusting all demands on the score of the Fenian claims, and of surmounting the difficulties in the way of obtaining the consent of the Canadian Parliament to the measures necessary to give effect to the Treaty of Washington.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) LISGAR.

January 20,
1872.

* Page 11.

CORRESPONDENCE WITH THE GOVERNMENT OF CANADA. 13

Enclosure in No. 10.

CANADA.

COPY of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL on the 20th January, 1872.

Enclosure in
No. 10.

The Committee of the Privy Council have had under their consideration the Earl of Kimberley's Despatch to your Excellency, dated the 23rd of November, 1871, on the subject of the Report of the Privy Council, dated the 28th July, and transmitted in your Excellency's Despatch of 15th of August. The object of that Report was to explain to Her Majesty's Government that much dissatisfaction prevailed in Canada owing to the absence of all provision in the Treaty of Washington for the settlement of the losses incurred by Canada in consequence of the raids of citizens of the United States on British territory, and also owing to the cession of the Canadian fisheries for an inadequate consideration.

The Committee of Council were aware from the Earl of Kimberley's Despatch of the 17th June, 1871, that Her Majesty's Government were very desirous that the Acts necessary to give effect to the fishery clauses of the Treaty of Washington should be passed by the Canadian Parliament, and they had hoped that some proposition might be made by Her Majesty's Government in reply to their Report that would enable them to propose such measures with a fair prospect of success. In the Earl of Kimberley's Despatch to your Excellency, dated 23rd of November, no reference whatever is made to the subject of the Fenian raids; and with regard to the fishery clauses of the Treaty, the only inference to be drawn from the Despatch is that the objections raised by the Committee of Council are of very little weight.

The Committee of Council readily admit that further controversial discussion on the points on which differences of opinion unfortunately exist between the two Governments would be unprofitable.

It is, however, due to both Her Majesty's Government and to themselves that they should frankly explain to the former the conclusion at which they have arrived on the two questions discussed in their Report of the 28th of July last.

They maintain that Canada has a just claim to compensation for the expenses incurred in consequence of the Fenian raids.

It seems unnecessary to support this opinion by further argument.

Although the Committee of Council deem it unnecessary to dwell on the objections which they entertain to the fishery clauses in the Treaty, they desire to offer an explanation with reference to the statement in their former Report to which the Earl of Kimberley has taken exception, and which was to the effect that Her Majesty's Government had ceded the rights of fishery for what they admitted to be an inadequate consideration.

In the course of the negotiations the United States' Commissioners had offered as an equivalent for the rights of fishery to admit Canadian coal and salt free of duty, and lumber after the 1st July, 1874.

This was deemed both by the Imperial and Canadian Governments an inadequate offer, and a counter proposition was made by the British Commissioners that lumber should be admitted free immediately, and that in consideration of the continued exclusion of cereals, live stock, and other articles admitted under the Treaty of 1854, a sum of money should be paid to Canada.

The United States' Commissioners not only refused the counter-proposition, but withdrew their former offer, substituting one which the Committee of Council infer, from the Earl of Kimberley's Despatch, was in the opinion of Her Majesty's Government, more favourable to Canada than that which had been rejected as inadequate.

Wide, however, as are the differences of opinion on this Continent regarding the Treaty, there is but one opinion on the point under consideration. It is clear that the United States preferred paying a sum of money to the concession of commercial advantages to Canada, and the Committee of Council feel assured that there is not a single member of the Canadian Parliament who would not have much preferred the rejected proposition to that which was finally adopted.

The Committee of Council cannot, with the Earl of Kimberley's Despatch before them, continue to affirm that Her Majesty's Government are of opinion that the cession of the fishery rights was made for an inadequate consideration; but they regret they are themselves of a different opinion.

While still adhering to their expressed opinions as to the Fishery Articles of the Treaty of Washington, they are yet most anxious to meet the views of Her Majesty's Government, and to be placed in a position to propose the necessary legislative measures, and they will therefore proceed to make a suggestion which they earnestly hope may receive a favourable response. The adoption of the principle of a money payment in satisfaction of the expenses incurred by the Fenian raids would not only be of no assistance with reference to the Treaty, but might lead to some complications. It is not improbable that differences of opinion would arise in the discussion of the details of those claims between the two Governments which might lead to mutual dissatisfaction. Again, such a solution of the question would necessitate a discussion in the Imperial Parliament, in the course of which opinions might be expressed by members which might irritate the people of Canada, and might, moreover, encourage the Fenian leaders in the United States, who have not ceased their agitation. There is, in the opinion of the Committee of Council, a mode by which their hands might be so materially strengthened that they would be enabled not only to abandon all claims on account of the Fenian raids, but likewise to propose, with a fair prospect of success, the measures necessary to give effect to those clauses in the Treaty of Washington which require the concurrence of the Dominion Parliament.

That mode is by an Imperial guarantee to a portion of the loan which it will be necessary for Canada to raise in order to procure the construction of certain important public works, which will be highly beneficial to the United Kingdom as well as to Canada.

It is not pretended that the construction of these works is contingent on an Imperial guarantee. The credit of Canada has never stood so high in the money market as at the present time, its 5 per cent. securities being at a premium. But there is no doubt that with the Imperial guarantee a considerable saving of interest could be effected.

The Committee of Council feel assured that Her Majesty's Government will recognize the scrupulous

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CANADA.

good faith which has invariably been observed by Canada under Governments of various shades of politics Her Majesty's Government are aware that one of the conditions on which British Columbia joined the Confederation was that Canada should procure the construction of an inter-oceanic railroad. In order to procure the construction of this gigantic work a cash subsidy will have to be granted to the company undertaking it, to the extent, in all probability, of five millions sterling. This railroad will open up for settlement the vast prairies of the North West, which will sustain an enormous population. According to the most reliable statistics the immigration from the United Kingdom to Canada is in about the proportion of one to six to that from the United Kingdom to the United States, the population of the United States being more than ten times as great as that of Canada. On the other hand the imports into Canada of staple articles of British manufacture, such as cottons, woollens, and iron and hardware, are about three times as large in proportion to the population as those into the United States. It is therefore clearly the interest of the United Kingdom that the British North West territories should be opened for settlement as speedily as possible; and to effect this object the Canadian Pacific Railroad is indispensably necessary. That railroad, it may be added, would in all probability be found the most eligible mode of conveying a portion of Her Majesty's mails to the East. The time has arrived when the enlargement and extension of the Canadian canals, so earnestly desired by the United States, as appears by the Protocols attached to the Treaty of Washington, can no longer be postponed. The required works must be constructed by the Government, and will cost about three millions sterling, the aggregate for the railroad and canals being eight millions. The revenues of Canada are in a most satisfactory condition, and fully able to bear the increased charge which will be gradually thrown upon them. The taxes are much less than in the adjoining Republic, and are cheerfully borne by the people.

The Committee of Council are of opinion that Her Majesty's Government might fairly be urged to propose to Parliament a guarantee for a Canadian loan not to exceed four millions sterling, on the condition that such guaranteed loan should be raised at the same time and in equal proportion with a Canadian unguaranteed loan for the same objects.

The Committee of Council do not believe that any better mode can be suggested by which they would be enabled to surmount the difficulties in the way of their obtaining the consent of the Canadian Parliament to the measures necessary to give effect to the Treaty of Washington than that which they have felt it their duty to recommend.

The Committee of Council trust that, should other difficulties be removed, Her Majesty's Government will enable them to assure the Canadian Parliament that any recommendation made by Canada to terminate the Articles of the Treaty of Washington, numbered 18 to 25 inclusive, and likewise Article 30, in conformity with Article 33, would be acted on.

(Certified)

WM. H. LEE,
Clerk, Privy Council, Canada.

No. 11.

No. 11.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 58.)

MY LORD,

Downing Street, March 18, 1872.

HER Majesty's Government have given their most careful attention to the Report of the Committee of the Canadian Privy Council enclosed in your Lordship's Despatch, No. 13,* of January 22. The Committee state, that while adhering to their opinions as to the Fishery Articles of the Treaty of Washington, they are yet most anxious to meet the views of Her Majesty's Government, and to be placed in a position to propose the necessary legislative measures. They maintain that Canada has a just claim for compensation for expenses incurred in consequence of the Fenian raids, but they are of opinion that the adoption of the principle of a money payment in satisfaction of those expenses would be of no assistance with reference to the Treaty, and would be open to objection on other grounds. They therefore suggest another mode of settlement by which, in their opinion, their hands might be so materially strengthened that they would be enabled, not only to abandon all claims on account of the Fenian raids, but likewise to propose to the Dominion Parliament, with a fair prospect of success, the measures necessary to give effect to the Treaty.

Their suggestion is, that Her Majesty's Government should propose to Parliament a guarantee for a Canadian loan, not exceeding four millions sterling, being half the amount (8,000,000*l.*) which it is intended to raise for the purpose of constructing the railroad through British territory to the Pacific, and of enlarging and extending the Canadian canals.

Her Majesty's Government have considered this suggestion with an earnest desire to remove the difficulties which are felt by the Canadian Government, and I have now to convey to you the conclusions at which they have arrived. They are of opinion that the most convenient course will be that it should be provided in the Acts to be passed

* Page 12.

by the Dominion Parliament to give effect to the Treaty, that such Acts should only come into force upon the issue of a Proclamation by the Governor-General in Council bringing them into operation. On their part, Her Majesty's Government will engage that when the Treaty shall have taken effect by the issue of such Proclamation, they will propose to Parliament to guarantee a Canadian loan of 2,500,000*l.*, such loan to be applied to the purposes indicated by the Council, namely, the construction of the railroad through British territory from Canada to the Pacific, and the improvement and enlargement of the Canadian canals, and to be raised at the same time and in equal proportion with the Canadian unguaranteed loan for the same objects, on the understanding that Canada abandons all claims on this country on account of the Fenian raids. As regards the request of the Privy Council that Her Majesty's Government will enable them to assure the Dominion Parliament that any recommendation made by Canada to terminate the Articles of the Treaty numbered 18 to 25 inclusive, and likewise Article 30 in conformity with Article 33, would be acted on, I may observe, that no such assurance was asked or given in the case of the Reciprocity Treaty, but Her Majesty's Government recognize that it is not unreasonable that Canada should desire some assurance on this point, and they have, therefore, no hesitation in declaring that the greatest deference would be paid to the expression of the wishes of the Dominion, signified by Addresses from both Houses of the Dominion Parliament, and that those wishes would certainly be attended to, subject, of course, to the necessary reservation of Her Majesty's discretion to take into consideration, in the interests of the whole Empire, the state of her relations with Foreign Powers at the particular juncture.

I have already conveyed to your Lordship, by telegraph, the substance of this Despatch.

The Lord Lisgar,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

CANADA.
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FURTHER CORRESPONDENCE

WITH THE

GOVERNMENT OF CANADA

IN CONNECTION WITH THE

APPOINTMENT OF THE JOINT HIGH COMMISSION

AND THE

TREATY OF WASHINGTON.

(IN CONTINUATION OF PAPER PRESENTED APRIL, 1872.)

Presented to both Houses of Parliament by Command of Her Majesty,
May, 1872.



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FURTHER CORRESPONDENCE

WITH THE

GOVERNMENT OF CANADA

IN CONNECTION WITH THE

APPOINTMENT OF THE JOINT HIGH COMMISSION AND THE TREATY OF WASHINGTON.

The LORD LISGAR to The EARL OF KIMBERLEY.

(No. 95.)

Government House, Ottawa, April 15, 1872.

(Received May 3, 1872.)

MY LORD,

WITH reference to your Lordship's Despatch, No. 58,* of March 18, 1872, I have now the honour to forward, herewith, a copy of a Minute of the Privy Council of the Dominion, from which your Lordship will perceive that the Ministers announce their intention of proposing to the Canadian Parliament the measures necessary to give effect to those clauses of the Treaty of Washington which relate to Canada.

CANADA.

* Vide Command Paper, April, 1872, page 14.

15th April, 1872.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) LISGAR.

Enclosure.

COPY of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by His Excellency the GOVERNOR-GENERAL, on the 15th day of April, 1872.

Enclosure.

The Committee of the Privy Council have had under their consideration the Earl of Kimberley's Despatch to your Excellency, dated the 18th ultimo, communicating the views of Her Majesty's Imperial Government on the proposition submitted in the Report of the Privy Council, transmitted in your Excellency's Despatch of 22nd January last.

From the Despatch it appears that Her Majesty's Government are of opinion that the most convenient course will be that it should be provided in the Acts to be passed by the Dominion Parliament to give effect to the Treaty, that such Acts should only come into force upon the issue of a Proclamation by the Governor-General in Council bringing them into operation; that on their part Her Majesty's Government will engage that when the Treaty shall have taken effect by the issue of such Proclamation, they will propose to Parliament to guarantee a Canadian Loan of £2,500,000. Such Loan to be applied to the purposes indicated by the Council, namely, the construction of the railroad through British territory from Canada to the Pacific, and the improvement and enlargement of the Canadian canals; and to be raised at the same time and in equal proportions with the Canadian unguaranteed Loan for the same objects, on the understanding that Canada abandon all claims on England on account of the Fenian Raids.

The Earl of Kimberley further observes that Her Majesty's Government will enable the Canadian Government to assure the Dominion Parliament that any recommendation made by Canada to terminate the Articles of the Treaty numbered 18 to 25 inclusive, and likewise Article 30, in conformity with Article 33, will be acted on; that they have no hesitation in declaring that the greatest deference would be paid to the expression of the wishes of the Dominion, signified by Addresses from both Houses of the Dominion Parliament, and that those wishes would certainly be attended to, subject of course to the necessary reservation of Her Majesty's discretion to take into consideration, in the interests of the whole Empire, the state of Her relations with Foreign Powers at the particular juncture.

The Committee of the Privy Council feel that although Her Majesty's Government have been unable to accede to their proposition in full, it is nevertheless their duty, in the interests both of Canada and the Empire at large, to accept the modified proposition of the Earl of Kimberley, and they will accordingly be prepared to propose to the Canadian Parliament the measures necessary to give effect to those clauses of the Treaty relative to Canada.

(Certified) WM. H. LEE,
Clerk, Privy Council, Canada.

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FURTHER CORRESPONDENCE

WITH

THE GOVERNMENT OF CANADA,

AND CORRESPONDENCE WITH THE

GOVERNMENTS OF PRINCE EDWARD ISLAND AND

NEWFOUNDLAND,

RESPECTING

THE TREATY OF WASHINGTON.

(In continuation of Paper presented May, 1872.)

Presented to both Houses of Parliament by Command of Her Majesty.
May, 1872.



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SCHEDULE.

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CANADA.

DESPATCH FROM THE GOVERNOR-GENERAL.

1	July 5, 1871 (No. 126)	Concession of Fishing Rights to Citizens of the United States under the Treaty of Washington.	1
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DESPATCHES FROM THE SECRETARY OF STATE.

1	July 27, 1871 (No. 476)	Acknowledges receipt of Address adopted by the Legislative Council and Assembly of New Brunswick, relating to Fishing Rights of United States' Citizens under the Treaty of Washington.	2
2	Sept. 3, 1871 (No. 503)	Governments of Newfoundland and Prince Edward Island are willing to grant United States' Fishermen certain privileges, during the present season, ceded to them by the Treaty of Washington.	2
3	September 5, 1871 (No. 504)	Treaty of Washington. Refers to Despatch of the 3rd instant, and transmits copy of Letter from the Foreign Office on the subject.	2

NEWFOUNDLAND.

DESPATCH FROM THE GOVERNOR.

1	July 14, 1871 (No. 55)	Observations upon the Correspondence relating to the Treaty of Washington.	3
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DESPATCHES FROM THE SECRETARY OF STATE.

1	June 17, 1871 (No. 28)	Transmits Copy of the Treaty of Washington, and suggests that American Fishermen should be allowed the privileges granted by it during the present season.	4
2 3	Sept. 3, 1871 (No. 38) - Sept. 5, 1871 (No. 39) -	Relative to the Admission of United States' Fishermen to privileges granted by the Treaty of Washington.	4-5
4	Nov. 1, 1871 (No. 47) -	Respecting the omission of the word "Newfoundland" in Mr. Fish's Note of 8th May last.	5

SCHEDULE.

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND THE FOREIGN OFFICE.

Number in Series.	From whom.	Number and Date.	Subject.	Page.
1	The Foreign Office to the Colonial Office.	May 26, 1871	Transmits Correspondence between Sir E. Thornton and Mr. Fish relative to the immediate application of the stipulations of the Fishery Treaty.	5
2	The Colonial Office to the Foreign Office.	June 23, 1871	Views of Her Majesty's Government respecting the Washington Treaty have been communicated to the Governor-General of Canada.	6
3	Ditto. Ditto.	Aug. 21, 1871	Governments of Newfoundland and Prince Edward Island agree to admit United States' fishermen to their Inshore Fisheries during present season.	7
4	Ditto. Ditto.	Aug. 21, 1871	Refers to Letter of even date, and encloses Copies of Despatches which it is proposed to address to Governors of Newfoundland and Prince Edward Island.	7
5	The Foreign Office to the Colonial Office.	Aug. 31, 1871	Approves Despatches to Governor of Newfoundland and Lieut.-Governor of Prince Edward Island, respecting the admission of American fishermen to Inshore Fisheries of those Islands.	7
6	Ditto. Ditto.	Aug. 31, 1871	Admission of American Fishermen to Inshore Fisheries of Newfoundland and Prince Edward Island. Mr. Fish's Note to Sir E. Thornton.	8
7	Ditto. Ditto.	Oct. 26, 1871	Explanation of Mr. Fish's Note of the 8th of May on the subject of the Fishery Stipulations of the Washington Treaty.	8

PRINCE EDWARD ISLAND.

Number in Series.	Number and Date.	Subject.	Page.
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DESPATCHES FROM THE LIEUT.-GOVERNOR.

1	July 12, 1871 (No. 55)	Admission of American fishermen to the privileges of Inshore Fisheries provisionally.	9
2	July 25, 1871 (No. 59)	Transmits Minutes prepared by his Advisers recording the result of their deliberations on the subject of the Treaty of Washington.	9

DESPATCHES FROM THE SECRETARY OF STATE.

1	June 17, 1871 (No. 22)	Transmits Documents relating to the Fishery Question. Same course should be pursued now as in 1854.	11
2	Aug. 8, 1871 (No. 27)-	Admission of United States' fishermen to Inshore Fisheries of Prince Edward Island.	12
3	Sept. 3, 1871 (No. 32)-	Privileges of United States' fishermen granted by the Treaty of Washington, and reference of the Question of Money Compensation to Arbitration.	12
4	Sept. 5, 1871 (No. 34)-	Correspondence with the Foreign Office relative to the Treaty of Washington.	12

CORRESPONDENCE

RESPECTING THE

TREATY OF WASHINGTON AND THE NORTH AMERICAN FISHERIES.

CANADA.

DESPATCH FROM THE GOVERNOR-GENERAL.

No. 1.

CANADA.

No. 1.

The LORD LISGAR to The EARL OF KIMBERLEY.

(No. 126.)

Cacouna, July 5, 1871.

(Received 19th July, 1871.)

(Answered, No. 476, 27th July, 1871, page 2.)

MY LORD,

At the request of the Privy Council of Canada, I have the honour to transmit, herewith, a copy of a joint Address adopted by the "Legislative Council and Assembly" of the Province of New Brunswick on the subject of the proposed concession of fishing "rights to the citizens of the United States under the Treaty of Washington."

June 13.

I have, &c.,

(Signed) LISGAR.

The Earl of Kimberley,

&c. &c. &c.

Enclosure in No. 1.

Enclosure in
No. 1.

COPY of a REPORT of a COMMITTEE of the HONOURABLE PRIVY COUNCIL, dated 13th June, 1871.

The Committee of Council have had under consideration a communication from the Lieut.-Governor of New Brunswick, enclosing a joint Address from the Legislative Council and Assembly of that Province on the subject of the proposed concession of fishing rights to the citizens of the United States under the Treaty of Washington, and they respectfully advise that a copy of the same be transmitted by your Excellency to the Right Honourable the Secretary of State for the Colonies, for the information of Her Majesty's Government, as containing the views of the New Brunswick Legislature on that important question.

(Certified) WM. H. LEE,
Clerk, Privy Council, Canada.

To His Excellency the Right Honourable BARON LISGAR, P.C., K.C.B., G.C.M.G., Governor-General of the Dominion of Canada, &c., &c., &c.

The humble Address of the Legislative Council and House of Assembly of the Province of New Brunswick.

May it please your Excellency,—

Having had under consideration certain provisions of the Treaty signed at Washington on the 8th day of May instant by the respective Commissioners of Great Britain and the United States, we most respectfully submit that so far as the same relate to the fisheries, they are not satisfactory to the people of this Province, inasmuch as while they contain no definition of the existing rights and duties of the subjects and citizens of Great Britain and the United States, and postponing all questions growing out of the exercise and enforcements of such rights and duties, they prematurely and without sufficient considerations of Canadian interests moving thereto, substitute for the protection to which the British fisherman is fully entitled by public law, and which the recent enactments of the Parliament of Canada have largely secured, a policy of unlimited and dangerous concession.

The privileges accorded to the subjects of Great Britain by the 19th and 21st Articles of the Treaty are by no means an equivalent for the privileges conferred on the citizens of the United States by the 18th Article: the reciprocal privilege of fishing in certain American waters is barren and delusive, and the

2 CORRESPONDENCE RESPECTING THE TREATY OF

CANADA. mode of determining and accounting for the excess in value of the privileges accorded by the Government of the United States is erroneous in principle and impracticable in execution, and the considerations of advantage are too remote and uncertain.

We would respectfully submit that any Treaty relating to the free use of the fisheries, and to the navigation of the rivers and canals of Canada, should at the same time make such further provisions for the regulation of commerce and navigation as would render the same reciprocally beneficial and satisfactory; and we therefore hope that the Parliament of Canada will, under existing circumstances, adhere to and carry out the policy of protection of the fishery rights of the Dominion recently adopted, and will refuse its assent to the Articles of the said Treaty relating to the fisheries.

We respectfully urge upon your Excellency in Council the consideration of the matters herein set forth, and request that your Excellency will be pleased to cause this Address to be laid before the Dominion Parliament at its next session.

(Signed) JOHN S. SAUNDERS,
President of the Legislative Council.
(Signed) E. A. VAIL,
Speaker, House of Assembly.

DESPATCHES FROM THE SECRETARY OF STATE.

No. 1. No. 1.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 476.)
MY LORD, Downing Street, July 27, 1871.

* Page 1. I HAVE to acknowledge your Lordship's Despatch, No. 126,* of 5th inst., forwarding, at the request of the Privy Council of Canada, a copy of a joint Address, adopted by the Legislative Council and Assembly of New Brunswick, on the subject of the proposed concession of fishing rights to the citizens of the United States, under the Treaty of Washington.

The Lord Lisgar, I have, &c.,
&c. &c. &c. (Signed) KIMBERLEY.

No. 2. No. 2.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 503.)
MY LORD, Downing Street, September 3, 1871.

Governor, No. 55, July 14, 1871, Newfoundland, page 3.
Governor, No. 59, July 25 1871, Prince Edward Island, page 9.
Sec. of State, No. 38, Sept. 3, 1871, Newfoundland, page 4.
Sec. of State, No. 32, Sept. 3, 1871, Prince Edward Island, page 12.
I HAVE the honour to transmit to your Lordship, for your information, copies of Despatches, dated the 14th and 25th of July, which I have received from the Governor of Newfoundland, and from the Lieutenant-Governor of Prince Edward Island, apprising me that their Governments have acceded to the wishes of Her Majesty's Government that United States' fishermen should be admitted during the present season to the provisional use of the privileges granted to them by the Treaty of Washington so far as concerns those Islands, together with copies of the answers which I have returned to those Despatches.

The Lord Lisgar, I have, &c.,
&c. &c. &c. (Signed) KIMBERLEY.

No. 3. No. 3.

The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 504.)
MY LORD, Downing Street, September 5, 1871.

† Supra. WITH reference to my Despatch of the 3rd inst.,† forwarding copies of a correspondence between the Governor of Newfoundland and the Lieutenant-Governor of Prince Edward Island and myself relating to the Treaty of Washington and to the Fisheries, I have the honour to transmit to you, for your information, a copy of a letter from the Foreign Office on certain points raised in that correspondence.

Foreign Office, August 31, vide p. 8, (Newfoundland Correspondence.)

I have communicated a copy of the Foreign Office letter to the Governor of Newfoundland and to the Lieutenant-Governor of Prince Edward Island.

CANADA.

The Lord Lisgar,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

NEWFOUNDLAND.

DESPATCH FROM THE GOVERNOR.

NEWFOUND-
LAND.

No. 1.

No. 1.

Governor HILL, C.B., to The EARL OF KIMBERLEY.

(No. 55.)

Government House, Newfoundland, July 14, 1871.

(Received August 8, 1871.)

(Answered, No. 38, September 3, 1871, page 4.)

MY LORD,

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No. 28,* of the 17th June, enclosing copies of the Treaty signed at Washington on the 8th May by the Joint High Commissioners, which has been ratified by Her Majesty and by the President of the United States; of the instructions to Her Majesty's High Commissioners, and Protocols of the Conferences held by the Commission; of two notes which have passed between Sir E. Thornton and Mr. Fish; and of a Despatch—of 17th June—which your Lordship has addressed to the Governor-General of Canada stating the views of Her Majesty's Government on these important documents.

* Page 4.

2. I observe in the copy now before me of the Despatch of Mr. Secretary Fish (8th May, 1871) to Sir E. Thornton, an omission which bears very materially upon the peculiar interests of this Colony, respecting the immediate acquiescence of the Government of Newfoundland in the opinions of Her Majesty's Government as regards the prompt admission of American fishermen to the provisional use—as far as this Island is concerned—of the privileges granted to them by the Treaty.

3. Respecting the immediate admission of American fishermen into British waters, Mr. Fish writes:—"As several Articles of the Treaty which has been signed this day "relating to the admission of citizens of the United States to fish within the territorial "waters of Her Britannic Majesty on the coast of Canada, Prince Edward Island, and "Newfoundland, cannot come into full operation until the legislation contemplated in "that instrument shall have taken place," &c. &c. And again, in writing of the restoration to British subjects of certain duties by Congress, Mr. Fish observes:—"That any "duties which may have been collected on and after the first day of July next on fish- "oil and fish (except fish of the inland lakes and of the rivers falling into the same, and "except fish preserved in oil), the produce of the fisheries of the Dominion of Canada "and of Prince Edward Island, shall be returned and refunded to the parties paying "the same, if a similar arrangement is made with respect to the admission into the "British Possessions of fish oil and fish (with the like exception) being the produce of "the fisheries of the United States." The word "Newfoundland," included in the first extract from Mr. Fish's Despatch, is excluded from the latter, and if intentional the omission in question may act detrimentally towards the future acceptance of the terms of Treaty by the Colonial Legislature.

4. My Ministers, however, to whom I have communicated the whole of the important documents respecting the Washington Treaty, are willing to consider this omission as unintentional; and although anxious to obtain information on this point, have resolved to comply at once with the wishes of Her Majesty's Government as regards the admission, during the present season, of citizens of the United States to the provisional use of the privileges granted to them by the Treaty, so far as lies within the jurisdiction of the Government of Newfoundland to bestow.

5. There is another point in reference to the correspondence relative to the Treaty to which my Advisers invite your Lordship's attention. The copy of Sir E. Thornton's reply (9th May, 1871) to Mr. Fish contains, in connection with the repayment of import duties by Congress, the following words:—"The above-mentioned Colonial Governments, "who would be asked to grant the immediate and certain right of fishing within the

CORRESPONDENCE RESPECTING THE TREATY OF

NEWFOUND-
LAND.

"territorial waters of those Colonies, whilst the return of the import duties on fish from the 1st July next promised by the United States is prospective and contingent on the action of Congress." The words "on fish oil"—following the words "that any duties which may have been collected on and after the first day of July next"—in Mr. Fish's note to Sir E. Thornton are in the reply thereto (from which the above extract is taken) omitted. The Executive Council beg to be advised on this head.

July 7, 1871.

6. I beg to transmit to your Lordship copy of a Minute of Council, signifying assent on the part of the Government of Newfoundland to the request contained in your Lordship's Despatch, No 28, of 17th June, respecting the Treaty of Washington.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) STEPHEN J. HILL.

Enclosure in
No. 1.

Enclosure in No. 1.

COPY OF MINUTE OF COUNCIL.

Council Room, July 7, 1871.

In compliance with the request made by Earl Kimberley in his Despatch of 17th June to his Excellency the Governor, it is agreed to accede thereto.

True Copy:

STEPHEN J. HILL.

DESPATCHES FROM THE SECRETARY OF STATE.

No. 1.

No. 1.

The EARL OF KIMBERLEY to Governor HILL, C.B.

(No. 28.)

SIR,

Downing Street, June 17, 1871.

I HAVE the honour to enclose, herewith, copies of the Treaty signed at Washington on May 8, by the Joint High Commissioners, which has been ratified by Her Majesty and by the President of the United States;—of the instructions to Her Majesty's High Commissioners, and Protocols of the Conferences held by the Commission;—of two notes which have passed between Sir E. Thornton and Mr. Fish;*—and of a Despatch of even date herewith,† which I have addressed to the Governor-General of Canada, stating the views of Her Majesty's Government on these important documents.

With reference to that part of my Despatch to Lord Lisgar which bears upon the proposed arrangement for the immediate provisional admission of the United States' fishermen to the colonial fisheries, I have to observe, that Her Majesty's Government are aware that under this Treaty, as under the Convention of 1854, Newfoundland is placed in a somewhat different position to that of the other Colonies interested; but they would strongly urge upon the Government of Newfoundland that it is most desirable for the general interests of the Empire that the same course should be pursued as in 1854, and that the application made by the United States' Government should be acceded to by Newfoundland, so that American fishermen may be at once allowed, during the present season, the provisional use of the privileges granted to them by the Treaty.

Governor Hill, C.B.,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 2.

No. 2.

The EARL OF KIMBERLEY to Governor HILL, C.B.

(No. 38.)

SIR,

Downing Street, September 3, 1871.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 55,‡ of the 14th of July, communicating to me the consent of your Government to the provisional admission of United States' fishermen during the present season to the privileges granted by the Treaty of Washington, so far as concerns the Colony under your Government.

* Vide Com-
mand Papers
[C. 262],
[C. 344], and
[C. 346] of
1871.

† Vide Com-
mand Paper
[C. 539],
page 4.

‡ Page 3.

WASHINGTON AND THE NORTH AMERICAN FISHERIES.

5

Her Majesty's Government have learnt with much satisfaction that the Newfoundland Government have so willingly acceded to their wishes in this respect. NEWFOUND-
LAND.

I have drawn Lord Granville's attention to the two questions raised in your Despatch on the correspondence which passed on this subject between Sir Edward Thornton and Mr. Fish.

Governor Hill, C.B.,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 3.

No. 3.

The EARL OF KIMBERLEY to Governor HILL, C.B.

(No. 39.)

SIR,

Downing Street, September 5, 1871.

WITH reference to my Despatch, No. 38,* of the 3rd instant, in answer to yours of the 14th of July,† relating to the Treaty of Washington and to the fisheries, I have the honour to transmit to you, for your information and guidance, a copy of a letter from the Foreign Office on the subject of your Despatch, and relating also to a question raised in a Despatch received from the Lieut.-Governor of Prince Edward Island. * Page 4.
† Page 3.
Foreign
Office, Aug.
31, 1871,
page 8.

Governor Hill, C.B.,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 4.

No. 4.

The EARL OF KIMBERLEY to Governor HILL, C.B.

(No. 47.)

SIR,

Downing Street, November 1, 1871.

WITH reference to your Despatch, No. 55.‡ of the 14th of July, and to my reply, § of the 3rd of September, respecting the fishery stipulations of the Treaty of Washington, I have the honour to transmit to you, for your information, a copy of a Despatch received through the Foreign Office, from Her Majesty's Chargé d'Affaires at Washington, respecting the omission of the word "Newfoundland" in Mr. Fish's note of May 8th last, on this subject. ‡ Page 3.
§ Page 4.
Enclosures in
Foreign
Office Letter
of October 26,
1871,
page 8.

Governor Hill, C.B.,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND
THE FOREIGN OFFICE.

No. 1.

No. 1.

The FOREIGN OFFICE to the COLONIAL OFFICE.

SIR,

Foreign Office, May 26, 1871.

I AM directed by Earl Granville to transmit to you, for the information of the Earl of Kimberley, a copy of a Despatch from Sir E. Thornton, enclosing copies of his correspondence with Mr. Fish relative to the immediate application of the stipulations of the Fishery Treaty pending its ratification. No. 155.

The Under Secretary of State,
Colonial Office.

I am, &c.,
(Signed) E. HAMMOND.

Enclosures in No. 1.

Enclosures
in No. 1.

(No. 155.)

MY LORD,

Washington, May 12, 1871.

With reference to my Despatches, Nos. 146 and 147 of the 8th instant, I have the honour to enclose copy of a note addressed to me by Mr. Fish, expressing the hope entertained by the Government of the United States that Her Majesty's Government will urge the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland, to consent that American fishermen should be allowed to fish in the waters of the above Colonies during the coming season.

Your Lordship will observe that at the beginning of the second paragraph of the draft of the note which

NEWFOUND- I forwarded in my Despatch, No. 146, the following words have been added :—"The Government of the
LAND. "United States would be prepared at the same time to admit British subjects to the right of fishing in
—"the waters of the United States specified in the Treaty; but"

I also enclose copy of my answer to Mr. Fish, and hope your Lordship will find that his note, with the addition above mentioned, and my answer, are in accordance with the terms of your Lordship's telegram of 9th inst., transmitted through Earl de Grey.

His Lordship has seen both the enclosed notes, and approves of their contents.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) EDWARD THORNTON.

SIR,

Department of State, Washington, May 8, 1871.

As several Articles of the Treaty which has been signed this day, relating to the admission of citizens of the United States to fish within the territorial waters of Her Britannic Majesty on the coasts of Canada, Prince Edward Island, and Newfoundland, cannot come into full operation until the legislation contemplated in that instrument shall have taken place, and as it seems to be in accordance with the interests of both Governments, in furtherance of the objects and spirit of the Treaty, that the citizens of the United States should have the enjoyment of that liberty during the present season, I am directed by the President to express to you his hope that Her Majesty's Government will be prepared, in the event of the ratification of the Treaty, to make on their own behalf, and to urge the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland, to make, for the season referred to, within their respective jurisdictions, such relaxations and regulations as it may respectively be in their power to adopt, with a view to the admission of American fishermen to the liberty which it is proposed to secure to them by the Treaty. The Government of the United States would be prepared at the same time to admit British subjects to the right of fishing in the waters of the United States, specified in the Treaty; but as the admission into the United States free of duty of any articles which are by law subject to duty cannot be allowed without the sanction of Congress, the President will, in case the above suggestion meets with the views of the British Government, recommend and urge upon Congress at their next session, that any duties which may have been collected on and after the 1st day of July next, on fish-oil and fish (except fish of the inland lakes and of the rivers falling into the same, and except fish preserved in oil), the produce of the fisheries of the Dominion of Canada and of Prince Edward Island, shall be returned and refunded to the parties paying the same, if a similar arrangement is made with respect to the admission into the British possessions of fish-oil and fish (with the like exception), being the produce of the fisheries of the United States.

Sir E. Thornton, K.C.B.,
&c. &c. &c.

I have, &c.,
(Signed) HAMILTON FISH.

SIR,

Washington May 9, 1871.

I have the honour to acknowledge the receipt of your note of yesterday's date, and to inform you in reply that I have been authorized by Earl Granville to state that in the event of the ratification of the Treaty signed yesterday, Her Majesty's Government will be prepared to recommend to the Governments of the Dominion of Canada, of Prince Edward Island, and of Newfoundland, that the provisional arrangement proposed in your note above mentioned, with regard to the right of fishing by United States' citizens on the coasts of those British possessions and by British subjects in the waters of the United States described in Article XIX. of the Treaty, shall take effect during the coming season, on the understanding that the ultimate decision of this question must rest with the above-mentioned Colonial Governments, who would be asked to grant the immediate and certain right of fishing within the territorial waters of those Colonies, whilst the return of the import duties on fish from the 1st of July next, promised by the United States, is prospective and contingent on the action of Congress.

The Hon. Hamilton Fish,
&c. &c. &c.

I have, &c.,
(Signed) EDWARD THORNTON.

No. 2.

No. 2.

The COLONIAL OFFICE to the FOREIGN OFFICE.

SIR,

Downing Street, June 23, 1871.

I AM directed by the Earl of Kimberley to transmit to you, for the information of Earl Granville, a copy of a Despatch which his Lordship has addressed to the Governor-General of Canada, conveying to him the views of Her Majesty's Government with respect to some of the provisions of the Treaty recently signed at Washington.

The Right Hon. E. Hammond,
&c. &c. &c.

I am, &c.,
(Signed) H. T. HOLLAND.

Sec. of State,
No. 444,
June 17, 1871.
Vide Com-
mand Paper
[C. 539],
April, 1872,
page 4.

WASHINGTON AND THE NORTH AMERICAN FISHERIES.

7

No. 3.

NEWFOUND-
LAND.

No. 3.

The COLONIAL OFFICE to the FOREIGN OFFICE.

SIR,

Downing Street, August 21, 1871.

WITH reference to the correspondence noted in the margin respecting the Treaty of Washington and the North American fisheries, I am directed by the Earl of Kimberley to transmit to you, to be laid before Earl Granville, copies of the enclosed Despatches received from the Governor of Newfoundland, and the Lieut.-Governor of Prince Edward Island, from which it will be seen that the Governments of these Islands agree to the admission to their respective inshore fisheries of the United States' fishermen during the present season.

I am also to enclose copies of the Despatches from the Secretary of State, to which these communications are replies.

The Despatch from the Governor of Newfoundland raises two questions on the correspondence which passed between Mr. Fish and Sir E. Thornton on the 8th and 9th of May last, copies of which were forwarded to this office in your letter of the 26th of that month.* Lord Kimberley requests that Lord Granville will enable him to give an explanation to the Governor on these points, and he would also be glad if his Lordship would inform him whether there is any objection to the proposal which it appears is to be made by the Government of Prince Edward Island, in the event of the Acts to give effect to the Treaty being passed by the Colonial Legislatures, for the appointment of a Representative from that Island to give information to the Commission which is to meet at Halifax under the 21st and 22nd Articles of the Treaty.

I am, &c.,

The Right Hon. E. Hammond,
&c. &c. &c.

(Signed) ROBERT G. W. HERBERT.

F. O. to C. O.,
May 26, 1871,
page 5.
C. O. to F. O.,
June 23, 1871,
page 6.

Newfound-
land, No. 55,
July 14, 1871,
page 3.

Prince Ed-
ward Island,
No. 59,
July 25, 1871,
page 9.

Secretary of
State to
Governor,
Newfound-
land, No. 28,
June 17, 1871,
page 4.

Sec. of State
to Lt.-Gov. of
Prince Ed-
ward Island,
No. 22,
June 17, 1871,
page 11.

* Page 5.

No. 4.

No. 4.

The COLONIAL OFFICE to the FOREIGN OFFICE.

SIR,

Downing Street, August 21, 1871.

WITH reference to my letter of this day's date,† forwarding copies of Despatches from the Governor of Newfoundland and the Lieut.-Governor of Prince Edward Island respecting the Treaty of Washington and the North American fisheries, I am directed by the Earl of Kimberley to enclose copies of Despatches which, with Earl Granville's concurrence, his Lordship proposes to forward to the Governors of those Islands by the mail of Friday next.

I am, &c.,

The Right Hon. E. Hammond,
&c. &c. &c.

(Signed) ROBERT G. W. HERBERT.

† Supra.

No. 38,
Sept. 3, page
4.
No. 32,
Sept. 3, page
12.

No. 5.

No. 5.

The FOREIGN OFFICE to the COLONIAL OFFICE.

SIR,

Foreign Office, August 31, 1871.

I AM directed by Earl Granville to request that you will state to the Earl of Kimberley that his Lordship concurs in the Despatches to the Governor of Newfoundland and Lieutenant-Governor of Prince Edward Island respecting the admission of American fishermen to the inshore fisheries of those Islands, and of which drafts were enclosed in your letter of the 21st instant.*

I am, &c.,

The Under Secretary of State,
Colonial Office.

(Signed) ODO RUSSELL.

* Supra.

NEWFOUND-
LAND.

No. 6.

No. 6.

The FOREIGN OFFICE to the COLONIAL OFFICE.

SIR,

Foreign Office, August 31, 1871

* Page 7.

I HAVE laid before Earl Granville your letter of the 21st inst.,* enclosing copies of correspondence with the Governor of Newfoundland and the Lieutenant-Governor of Prince Edward Island respecting the provisional admission of American fishermen to the inshore fisheries of those Islands; and I am in reply to request that you will state to the Earl of Kimberley that Lord Granville has no doubt that the Government of Newfoundland is right in assuming that the omission of the mention of Newfoundland in the passage in Mr. Fish's note to Sir E. Thornton, referred to, was unintentional.

Her Majesty's Chargé d'Affaires at Washington will, however, be instructed to call Mr. Fish's attention to the omission as being understood to be by inadvertence. His Lordship wishes the Government of Newfoundland to be informed that the intention of the two notes was that, pending reciprocal legislation, in return for the immediate provisional admission of American fishermen to the inshore fisheries, drawbacks should be granted on the import duties taken in the United States on the fish-oil and fish which are to be hereafter admitted free for a term of years under the 21st Article of the Treaty.

I am to add that, as regards the desire expressed by the Government of Prince Edward Island that some person should be appointed to attend the Commission at Halifax, it appears to Lord Granville that it would not only be permissible, but highly desirable, that Prince Edward Island and the other Provinces should furnish the fullest information before the Commission as to the value of the inshore fisheries on their coasts.

The 24th Article of the Treaty provides that the Commissioners shall be bound to receive such oral or written testimony as either Government may present, and it will, consequently, be competent for the Government of Prince Edward Island to send to Halifax any person who may be selected as best capable of giving evidence on its behalf.

The Under Secretary of State,
Colonial Office.

I am, &c.,
(Signed) ODO RUSSELL.

No. 7.

No. 7.

The FOREIGN OFFICE to the COLONIAL OFFICE.

SIR,

Foreign Office, October 26, 1871.

† Page 7.

No. 69.

WITH reference to your letter of the 21st of August* last, respecting a question raised by the Governor of Newfoundland on the omission of the word "Newfoundland" in Mr. Fish's note of May 8th last, on the subject of the fishery stipulations of the Washington Treaty, I am directed by Earl Granville to transmit to you, for the information of the Earl of Kimberley, a copy of a Despatch from Her Majesty's Chargé d'Affaires at Washington explaining the matter.

The Under Secretary of State,
Colonial Office.

I am, &c.,
(Signed) E. HAMMOND.

Enclosure in
No. 7.

Enclosure in No. 7.

(No. 69.)
MY LORD,

Washington, October 10, 1871.

With reference to your Lordship's Despatch, No. 32, of the 31st of August, on the subject of the omission of the word "Newfoundland" in Mr. Fish's note of May 8 last on the subject of the fishery stipulations in the Treaty of that date, I have the honour to state that on calling Mr. Bancroft Davis's attention to the circumstance he at once acknowledged the omission, and attributed it to a clerical error, which has now been set right by the note, copy of which is herewith enclosed, but which reached me too late for transmission by the mail of the 3rd inst.

The Earl Granville, K.G.,
&c. &c. &c.

I have, &c.,
(Signed) F. PAKENHAM.

WASHINGTON AND THE NORTH AMERICAN FISHERIES.

9

Sub-Enclosure.

NEWFOUND-
LAND.
—
Sub-
Enclosure.

SIR,

Department of State, Washington, September 30, 1871.

With reference to your note of the 19th inst. relating to the omission of "Newfoundland" from the contemplated contingent proposal for remission of duties which may have been collected on and after the 1st day of July, 1871, on fish-oil and fish the produce of certain British fisheries named in Mr. Fish's note of the 8th of May last, I have the honour to inform you that the omission was inadvertent.

In stating this fact, now that the fishing season has passed, I must add that no engagement "in presenti" can be assumed.

The Hon. F. Pakenham,
&c. &c. &c.

I have, &c.,
(Signed) J. C. B. DAVIS,
Acting Secretary.

PRINCE EDWARD ISLAND.

PRINCE
EDWARD
ISLAND.
—

DESPATCHES FROM THE LIEUT.-GOVERNOR.

No. 1.

No. 1.

Lieut.-Governor ROBINSON to The EARL OF KIMBERLEY.

(No. 55.)

Government House, July 12, 1871.

(Received July 26, 1871.)

MY LORD,

(Answered, No. 27, August 8, 1871, page 12.)

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No. 22,* * Page 11. of the 17th of June, enclosing a copy of the Treaty of Washington and other documents relative thereto.

2. I have had several conversations with the leader of my Government upon the important question of admitting American fishermen to the privileges of our inshore fisheries provisionally and pending the consideration of the Treaty by the Legislature, and it affords me the greatest satisfaction to inform your Lordship that my Advisers seem disposed to meet the views of Her Majesty's Government in the matter, and to order the Colonial officers not to enforce the fishing laws against American fishermen during the present season. The question has not yet been formally considered in Council, but Mr. Pope informed me this morning that he thought his colleagues, with whom he had discussed it, would be prepared to concede the point which I urged upon him in the name of Her Majesty's Government.

3. I anticipate that the necessary instructions will be issued at the next meeting of the Executive Council, and that I shall be in a position to address your Lordship in detail, and with certainty, upon the subject by the mail of this day fortnight. Meanwhile I am sure that your Lordship will be gratified at the probability of the Government of Prince Edward Island responding promptly and loyally to the wish of Her Majesty's Government, as conveyed to me in your Lordship's Despatch under acknowledgment.

I have, &c.,
(Signed) WILLIAM ROBINSON,
Lieut.-Governor.

The Earl of Kimberley,
&c. &c. &c.

No. 2.

No. 2.

Lieut.-Governor ROBINSON to The EARL OF KIMBERLEY.

(No. 59.)

Government House, July 25, 1871.

(Received, August 8, 1871.)

MY LORD,

(Answered, No. 32, September 3, 1871, page 12.)

IN continuation of my Despatch, No. 55,* of the 12th inst., I have now the honour * Supra. to forward a Minute prepared by my Advisers, in which they record the result of their July 17, 1871. deliberations on the subject of the Treaty of Washington and the other important documents which were forwarded to me with your Lordship's Despatch, No. 22,† of the † Page 11. 17th June last.

2. It is stated in the Minute that "the different Governments and Legislatures of this

PRINCE
EDWARD
ISLAND.

" Colony have always hoped that these fisheries " (the fisheries of Prince Edward Island) " would have done much to secure the advantages of another Reciprocity Treaty, or of " some tariff concessions authorizing the free admission " (into the United States) " of the " products of our agriculturists, who form the majority of our population, and which " would have resulted in promoting the prosperity of the Colony ; " and that in the opinion of the Council the inhabitants of Prince Edward Island are now asked " to " surrender to the citizens of the United States these invaluable fisheries without " receiving, in return, any just or fair equivalent such as was hoped to be obtained." In deference, however, to the strongly expressed wish of Her Majesty's Government in the matter, the Committee of the Executive Council (without giving any pledge as to the ultimate action of the Legislature) recommend " that the application made by the " United States' Government be acceded to, so that American fishermen may be at once " allowed, during the present season, the provisional use of the privileges granted to them " by the Treaty ; " and I have the honour to report that the Custom House officers were yesterday instructed to discontinue the enforcement of the fishery laws for the present season and until further orders.

3. I caused the United States' Consul at this port to be notified accordingly, and I simultaneously dispatched a similar notice to Sir Edward Thornton by telegraph.

4. I may add that in the event of the Acts necessary to give effect to the Treaty being passed by the Legislature of Prince Edward Island, my Government will apply to your Lordship for permission to send a representative to Halifax for the purpose of conferring with the agent of the Imperial Government, whose appointment is provided for in the concluding paragraph of Article 23 of the Treaty, and of urging upon him the claims of this Island to a just share, proportionate to the value of our fisheries, of whatever compensation may be awarded as an equivalent for the privileges which the colonists are asked to surrender. My Government are, of course, aware that Great Britain and the United States are to be represented before the Halifax Commission each by one agent only, but they believe that it would be competent to Her Majesty's Government to authorize the Imperial agent as aforesaid to receive information on the subject of our fisheries from a representative to be appointed by the Government of Prince Edward Island ; and this, should the Legislature assent to the Treaty, is what my Government hope that your Lordship will be pleased to accord.

5. I am confident that your Lordship will receive with much satisfaction the intimation contained in this Despatch, and that the prompt and loyal action of the Government of Prince Edward Island will predispose Her Majesty's Government to comply, as far as possible, with any reasonable request which my Advisers may consider it to be their duty to prefer.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) WILLIAM ROBINSON,
Lieut.-Governor.

Enclosure in
No. 2.

Enclosure in No. 2.

Council Chamber, July 17, 1871.

At a meeting of a Committee of the Executive Council of Prince Edward Island—present, The Hon. Mr. Pope, the Hon. Mr. Colonial Secretary, the Hon. Mr. Attorney-General, the Hon. Mr. Owen, the Hon. Mr. Richards :

The Committee of Council having under consideration Despatch, No. 22, dated at Downing Street, the 17th of June, 1871, from the Right Hon. Earl of Kimberley, Her Majesty's Principal Secretary of State for the Colonies, to his Honour Lieutenant-Governor Robinson, together with copies of the Treaty signed at Washington on the eighth day of May, and of protocols of the conferences held by the Commission, of two notes which have passed between Sir Edward Thornton and Mr. Secretary Fish, and of a Despatch addressed to the Governor-General of Canada, stating the views of Her Majesty's Government on these important documents, Her Majesty's Government in the Despatch first referred to strongly urge upon the Government of this Island that, for reasons stated in the Despatch from the Earl of Kimberley to Lord Lisgar, the same course should be pursued as in 1854, and the application made by the United States' Government acceded to by Prince Edward Island, so that American fishermen may be at once allowed, during the present season, the provisional use of the privileges granted to them by the Treaty.

Have respectfully to submit that Prince Edward Island is the most fertile and productive Province in British North America, in proportion to its extent ; that the natural market for its principal productions is to be found in the United States, as was very satisfactorily proved during the continuation of the Reciprocity Treaty of 1854 ; that the fisheries of this Island are the best and most valuable in America, and are much appreciated by the fishermen of the United States ; that the different Governments and Legislatures of this Colony have always hoped that these fisheries would have done much to secure the advantages of another Reciprocity Treaty, or of some tariff concessions authorizing the free admission of the products of our agriculturists, who form the majority of our population, and which would have resulted in promoting the prosperity of the Colony. That by the Treaty now under consideration, the inhabitants

of this Island are asked to surrender to the citizens of the United States these invaluable fisheries, without receiving in return any just or fair equivalent such as was hoped to be obtained. The Earl of Kimberley, in his Despatch to Lord Lisgar, alludes to "the great importance to Canada of the right to convey goods in bond through the United States, which has been secured to her by Article 29, and the free navigation of Lake Michigan under Article 28, and the power of transshipping goods under Article 30, as valuable privileges which must not be overlooked in framing an estimate of the advantages which Canada will obtain."

Valuable to Canada as may be these privileges, the Committee submit that they do not at all affect Prince Edward Island. That the chief benefit to this Island would be the admission of fish and fish-oil into the markets of the United States, and this would not be generally felt by the people, inasmuch as this trade is now principally in the hands of a few American citizens. That the surrender by the United States of the right of fishing down to the 39th degree of latitude is comparatively worthless to the people of this Island, and as the United States' Government assert that the privileges accorded to the citizens of the United States under Article 18 of this Treaty are of no greater value than those accorded by Articles 19 and 21 to the subjects of Her Britannic Majesty, the amount of any money compensation that would be given to this Island would be insignificant.

The Earl of Kimberley, in his Despatch to Lord Lisgar, says, "In some respects a direct money payment is perhaps a more distinct recognition of the rights of the Colonies than a tariff concession, and there does not seem to be any difference in principle between the admission of American fishermen for a term of years in consideration of the payment of a sum of money in gross, and their admission under the system of licences calculated at so many dollars per ton, which was adopted by the Colonial Government for several years after the termination of the Reciprocity Treaty. In the latter case it must be observed the use of the fisheries was granted without any tariff concession whatever on the part of the United States, even as to the importation of fish."

The Committee submit that a commercial arrangement with the United States in consideration of the use of the fisheries would have been most acceptable, but as the Royal High Commissioners were unable to induce the American Government to change its commercial policy, the people of this Island being extremely loyal, and devotedly attached to British institutions, would be most unwilling to throw any obstacle in the way of an amicable settlement of all causes of difference between Great Britain and the United States, and would, therefore, willingly accept any reasonable money compensation, in addition to the privileges granted, as an equivalent; but under the Treaty nothing of the kind is guaranteed them.

The Committee deem it to be their duty further to state that the system referred to of granting licences to American fishermen for a money consideration was never approved of by the Government of this Island, but merely sanctioned in deference to the strongly expressed wish of the British Government in the matter,—and for the same reason the Committee now recommend that the application made by the United States' Government be acceded to, so that American fishermen may be at once allowed, during the present season, the provisional use of the privileges granted to them by the Treaty, without any pledge, however, on the part of the Government that the Legislature will pass the Acts to give effect to the Treaty, in which they feel that the interests of Prince Edward Island have not been fairly considered.

Adopted in Council, July 24, 1871.

(Certified)

WILLIAM C. DES BRISAY,
Assistant Clerk, Executive Council.

DESPATCHES FROM THE SECRETARY OF STATE.

No. 1.

No. 1.

The EARL OF KIMBERLEY to Lieut.-Governor ROBINSON.

(No. 22.)

SIR,

Downing Street, June 17, 1871.

I HAVE the honour to enclose herewith copies of the Treaty signed at Washington on May 8th by the Joint High Commissioners, which has been ratified by Her Majesty and by the President of the United States;—of the instructions to Her Majesty's High Commissioners, and Protocols of the Conferences held by the Commission;* of two notes which have passed between Sir E. Thornton and Mr. Fish,† and of a Despatch of even date herewith,‡ which I have addressed to the Governor-General of Canada, stating the views of Her Majesty's Government on these important documents.

With reference to that part of my Despatch to Lord Lisgar which bears upon the proposed arrangement for the immediate provisional admission of the United States' fishermen to the Colonial fisheries, I have to observe that Her Majesty's Government strongly urge upon the Government of Prince Edward Island that, for the reasons stated in the Despatch, the same course should be pursued as in 1854, and the application made by the United States' Government should be acceded to by Prince Edward Island, so that American fishermen may be at once allowed, during the present season, the provisional use of the privileges granted to them by the Treaty.

Lieut.-Governor Robinson,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

* Vide Command Papers [C. 262], [C. 314], and [C. 346] of 1871.

† Page 5.

‡ Vide page 4 of Command Paper [C. 539], April, 1872.

PRINCE
EDWARD
ISLAND.

No. 2.

The EARL OF KIMBERLEY to Lieut.-Governor ROBINSON.

No. 2.

(No. 27.)

SIR,

Downing Street, August 8, 1871.

* Page 9.

† Page 11.

I HAVE received your Despatch, No. 55,* of 12th ult., acknowledging mine of the 17th June,† in which I forwarded to you a copy of the Treaty of Washington.

I have learnt, with much satisfaction, that your Government are likely to accede so promptly and readily to the wishes of Her Majesty's Government, that the United States' fishermen should be admitted provisionally to the inshore fisheries of Prince Edward Island during the present season.

Lieut.-Governor Robinson,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 3.

No. 3.

The EARL OF KIMBERLEY to Lieut.-Governor ROBINSON.

(No. 32.)

SIR,

Downing Street, September 3, 1871.

‡ Page 9.

I HAVE the honour to acknowledge the receipt of your Despatch, No. 59,‡ of the 25th of July, communicating to me the consent of your Government to the provisional admission of United States' fishermen during the present season to the privileges granted by the Treaty of Washington so far as concerns the Colony under your government. Her Majesty's Government have learnt with much satisfaction that the Prince Edward Island Government have so willingly acceded to their wishes in this respect. With regard to the observations contained in the Minute of Council which you have forwarded, to the effect that the Prince Edward Island Government would readily accept any reasonable money compensation in addition to the privileges granted as an equivalent, but that under the Treaty nothing of the kind is guaranteed, I do not understand why the Prince Edward Island Government should object to the reference of the question of the money compensation to arbitration, which seems to be the fairest way of determining such a point, more especially as the fact stated in the Minute, that the rights of fishing conceded by the United States are comparatively worthless, is, it must be presumed, capable of distinct proof. I will communicate with Lord Granville as to the wish of your Government, in the event of the Act necessary to give effect to the Treaty being passed, to appoint a representative to give information to the Commission which is to meet at Halifax.

Lieut.-Governor Robinson,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 4.

No. 4.

The EARL OF KIMBERLEY to Lieut.-Governor ROBINSON.

(No. 34.)

SIR,

Downing Street, September 5, 1871.

§ Supra.

|| Page 9.

Foreign Office
Aug. 31, 1871,
(Newfound-
land corre-
spondence),
page 8.

WITH reference to my Despatch, No. 32,§ of the 3rd inst., in answer to yours of the 25th July,|| relating to the Treaty of Washington and to the fisheries, I have the honour to transmit to you, for your information and guidance, a copy of a letter from the Foreign Office on the subject of your Despatch, and relating also to questions raised in a Despatch received from the Governor of Newfoundland.

Lieut.-Governor Robinson,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

LONDON:

PRINTED BY WILLIAM CLOWES AND SONS, STAMFORD STREET AND CHARING CROSS,
FOR HER MAJESTY'S STATIONERY OFFICE.

TAXES AND IMPOSTS (COLONIES).

FURTHER RETURN to an Address of the Honourable The House of Commons,
dated 13 May 1870;—*for*,

“RETURN of the RATES of all TAXES and IMPOSTS from which the REVENUES of the several COLONIES of the BRITISH EMPIRE were raised, together with the Gross Amount yielded by each Tax or Impost, showing the Total Gross Revenue of each Colony in the Year 1868, or the last Financial Year for which the same can be obtained, with the Cost or Charge of Collecting the same under each Head, these respective Charges being deducted, and leaving the Nett Amount of Revenue (in the same form as the Parliamentary Return relating to the United Kingdom, No. 427, of Session 1869.)”

(So far as relates to the DOMINION of CANADA.)

Colonial Office, }
11 June 1872. }

E. H. KNATCHBULL-HUGESSEN.

(*Mr. Brogden.*)

Ordered, by The House of Commons, to be Printed,
14 June 1872.

DOMINION OF CANADA.

RETURNS of the Aggregate Amounts of the REVENUES derived from the TAXES and IMPOSTS from which the REVENUE of CANADA was raised from the 1st of July 1867 (the Date of Confederation) to the 30th of June 1871.

CUSTOMS.

Year ending 30th June	Total Gross Receipt of Duties.	Drawbacks and Refunds.	Net Produce.	Charges of Collection.	Net Produce, after deducting Charges of Collection.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
1868 - - - -	8,624,318 42	45,938 33	8,578,380 09	477,503 82	8,100,876 27
1869 - - - -	8,370,753 59	97,873 81	8,272,879 78	496,049 94	7,776,829 84
1870 - - - -	9,411,443 27	77,230 29	9,334,212 98	505,109 31	8,829,103 67
1871 - - - -	11,894,307 17	53,202 61	11,841,104 56	500,441 49	11,340,663 07
TOTALS <i>Dolls.</i>	38,300,822 45	274,245 04	38,026,577 41	1,979,104 56	36,047,472 85

EXCISE.

Year ending 30th June	Total Gross Receipt of Duties.	Refunds.	Net Produce.	Charges of Collection.	Net Produce, after deducting Charges of Collection.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
1868 - - - -	3,006,192 06	3,603 90	3,002,588 16	78,939 00	2,923,649 16
1869 - - - -	2,718,119 66	8,091 24	2,710,028 42	109,414 56	2,600,613 86
1870 - - - -	3,628,827 32	9,204 85	3,619,622 47	119,461 48	3,500,160 99
1871 - - - -	4,301,129 70	5,184 98	4,295,944 72	129,563 56	4,166,381 16
TOTALS <i>Dolls.</i>	13,654,268 74	26,084 97	13,628,183 77	437,378 60	13,190,805 17

BILL STAMPS.

Year ending	30th June 1868.	30th June 1869.	30th June 1870.	30th June 1871.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
Revenue - - - -	119,712 83	129,664 81	134,047 22	183,319 42

PUBLIC WORKS (including RAILWAYS).

Year ending 30th June	Total Gross Revenue.	Charges of Maintenance and Collection.	Net Revenue.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
1868 - - - -	901,466 41	626,286 33	275,180 08
1869 - - - -	918,932 80	692,853 06	226,079 74
1870 - - - -	1,006,844 67	811,630 57	195,214 10
1871 - - - -	1,146,240 25	831,071 72	315,168 53
TOTALS <i>Dolls.</i>	3,973,484 13	2,961,841 68	1,011,642 45

P O S T O F F I C E.

(In addition to the Charges beneath, there are the Subsidies to the Allan Line, 218,000 dollars annually; and the Inman Line, 39,541 dollars 64 cents).

Year ending 30th June	Total Gross Revenue.	Charges of Collection.	Deficiency.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
1868 - - - - -	525,691 80	616,802 21	91,110 41
1869 - - - - -	535,315 14	787,886 32	252,571 18
1870 - - - - -	573,565 84	808,622 77	235,056 93
1871 - - - - -	612,630 67	815,470 59	202,839 92
TOTALS <i>Dolls.</i>	2,247,203 45	3,028,781 80	781,578 44

MINOR AND SPECIAL REVENUES.—Credited to Consolidated Fund.

Year ending	30th June 1868.	30th June 1869.	30th June 1870.	30th June 1871.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
Revenues - -	560,089 20	1,812,353 57	843,932 47	1,256,321 19

AGGREGATE AMOUNT OF REVENUE (less Returned Duties) CREDITED.

C O N S O L I D A T E D F U N D.

Year ending 30th June.	1 8 6 8.	1 8 6 9.	1 8 7 0.	1 8 7 1.
	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>	<i>Dolls. cts.</i>
CUSTOMS - -	8,578,380 09	8,272,879 78	9,334,212 98	11,841,104 56
EXCISE - - -	3,002,588 16	2,710,028 42	3,619,622 47	4,295,944 72
BILL STAMPS - -	119,712 83	129,664 81	134,047 22	183,319 43
PUBLIC WORKS -	901,466 41	918,932 80	1,006,844 67	1,146,240 25
POST OFFICE - -	525,691 80	535,315 14	573,565 84	612,630 67
MINOR and SPECIAL	560,089 20	1,812,353 57	843,932 47	1,256,321 19
TOTALS <i>Dolls.</i>	13,687,928 49	14,379,174 52	15,512,225 65	19,335,560 81

20 April 1872.

John Langton, Auditor.

TAXES AND IMPOSTS (COLONIES).

FURTHER RETURN.

RETURN of the Rates of all Taxes and Imposts from which the REVENUES of the several COLONIES of the BRITISH EMPIRE were raised, together with the Gross Amount yielded by each Tax or Impost, showing the Total Gross Revenue for each Colony in the Year 1868, or the last Financial Year for which the same can be obtained ; &c.

(So far as relates to the DOMINION of CANADA.)

(*Mr. Brogden.*)

*Ordered, by The House of Commons, to be Printed,
14 June 1872.*

247.

Under 1 oz.

CANADA (WARLIKE STORES, &c.).

RETURN to an Address of the Honourable The House of Commons,
dated 1 May 1872 ;—for,

- “RETURNS of all SMALL ARMS, ORDNANCE, PROJECTILES, AMMUNITION, ACCOUTREMENTS, and all other STORES handed over to the Government of the Dominion of *Canada*, in Free Gift, within Three Years of the Date on which the Regular Forces were withdrawn from the Upper Provinces of the Dominion, and including the Year in which the Forces were so withdrawn, with an Approximate STATEMENT of the Value of the different Kinds of STORES:”
- “Of all other STORES transferred on Payment to the Government of the Dominion, with an Approximate STATEMENT of their Actual Value, and a STATEMENT of the Amount paid by the Government for their Stores:”
- “DESCRIPTIVE STATEMENT of all FORTS and of all other MILITARY and other PUBLIC BUILDINGS transferred to the Government of the Dominion without Payment:”
- “And, STATEMENT of the FORTS and BUILDINGS handed over on Payment, with an Approximate Valuation, as near as can be prepared, of all the FORTS, BUILDINGS, &c. handed over.”

War Office, }
6 February 1873. }

EDWARD CARDWELL.

(Mr. Eastwick.)

Ordered, by The House of Commons, to be Printed,
28 February 1873.

RETURN of all SMALL ARMS, ORDNANCE, PROJECTILES, &c., handed over to the Government of the Dominion of *Canada*, in Free Gift, with the Value of the different Kinds of Stores, within Three Years of the Date on which the Regular Forces were withdrawn.

Total Value of Small Arms, Ordnance, Projectiles, &c. handed over to the Government of the Dominion of Canada, in Free Gift, within three Years of the Date on which the Regular Forces were withdrawn	£.	s.	d.
- - -	79,891	12	- $\frac{3}{4}$

The Stores have been valued out at the War Office vocabulary price for stores in England; the expense of shipping and packing is calculated at 15 per cent., in addition to the above sum of 79,891 *l.* 12 *s.* - $\frac{3}{4}$ *d.* As many of the stores were of obsolete pattern, and others were becoming so, and their actual condition at the time of issue was unknown, a reduction of 25 per cent. might be allowed, and also the omission of the 15 per cent. before mentioned; this would reduce the value of the supplies herein detailed to 59,918 *l.* 14 *s.*

The following arms, which were issued to the Colonial militia some years prior to the withdrawal of the troops, and which, in 1870, it was determined should be given to the Dominion Government, are not included, viz. :

40,670 Snider arms, value	-	-	-	-	-	-	-	-	-	£.
2,000 Spencer rifles (estimated)	-	-	-	-	-	-	-	-	-	101,167
900 Spencer carbines (estimated)	-	-	-	-	-	-	-	-	-	8,000
										2,700
TOTAL VALUE										£.
										111,867

War Office,
25 January 1873.

John Adye, Brigadier General,
Director of Artillery and Stores.

RETURN of STORES transferred on Payment to the Government of the Dominion of *Canada*.

Total Value of Stores transferred on Payment to the Government of the Dominion of Canada	£.	s.	d.
- - -	92,327	13	8 $\frac{1}{2}$

N.B.—The amount paid by the Dominion Government for the stores referred to in this Return, was the actual value assessed by the Committee appointed for the purpose.

War Office,
25 January 1873.

John Adye, Brigadier General,
Director of Artillery and Stores.

DESCRIPTIVE STATEMENT of all FORTS and other MILITARY and PUBLIC BUILDINGS transferred to the Dominion of *Canada* without Payment, with an Approximate Valuation of the same, as far as can be ascertained.

Description of Building.	Approximate Value.	Description of Building.	Approximate Value.
QUEBEC :	£.	Quebec—continued.	£.
Citadel and Town Lines, including magazines, stores, barracks, and other buildings.	220,000	Grand Magazine (Hôtel Dieu) - - -	2,000
Military Prison - - - - -	5,550	Palace Gate Guard and Storehouses, Military Store Quarters, &c.	4,640
St. Louis St., Officers' Quarters, and Purveyor's Establishment.	4,000	Artillery Barracks, Palace Gate - - -	28,830
Garrison Hospital - - - - -	11,900	Magazine D, Lower Park and Ordnance Store.	240
Commissariat Office and Quarters - -	2,000	St. John's Gate Guard House, &c. - - -	12,400
Guard Houses, Carronade Battery, and Prescott Gate.	1,520	Fuel Yard and Coal Store - - -	1,100
Grand Battery Magazines and Storehouses	1,170	Magazine C, Shifting Room and Tank -	1,000
Hope Gate Guard House, Barracks, &c. -	2,000	Commissariat and Military Stores - -	8,000
		Jesuit Barracks, including Store and other Buildings.	50,960

RETURNS RELATING TO WARLIKE STORES, &c. (CANADA).

3

Forts and other Military and Public Buildings transferred to Dominion of Canada without Payment, &c.—continued.

Description of Building.	Approximate Value.	Description of Building.	Approximate Value.
POINT LEVIS :	£.	CEDAR ISLAND :	£.
Royal Engineers' Hut, Barracks, Workshops, &c.	3,000	Tower Building - - - - -	7,350
Pontoon Wharf - - - - -	2,500	Fort Frederick Reserve, including Tower Fort and Magazine, with defensible Guard-house.	13,030
Fort, No. 1 - - - - -	59,000		
Fort, No. 2 - - - - -	58,000	MONTREAL :	
Fort, No. 3 - - - - -	59,000	Quebec Gate Barracks, including Commissariat Stores and Outbuildings.	4,720
		Artillery Barracks, including Stables, Gun Sheds, Harness Rooms, Shops, &c.	3,390
TORONTO :		Royal Engineers' Office and Outbuildings	500
New Barracks, including Workshops, Stores, and other miscellaneous Buildings.	5,030	Barrack Office Stores - - - - -	1,030
Military Store Buildings - - - - -	1,600	Fuel Yard - - - - -	350
Old Fort, Auxiliary Battery - - - - -	130	Garrison Hospital, Quarters and Buildings	2,050
Hut Barracks - - - - -	660		
		HOCHELAGA :	
KINGSTON :		New Soldiers' Barracks, Outbuildings, &c.	2,960
Murney Tower - - - - -	5,000	Military Prison, including Warders' Quarters and Labour Sheds.	3,490
Market Battery and Shoal Tower - - -	14,900		
Tête de Pont Barracks, and miscellaneous Buildings.	10,000	ST. HELEN'S ISLAND :	
Barrack Office Premises, Place d'Armes -	1,020	Soldiers' Barracks and Officers' Quarters -	1,170
Granary Forage Barn and Fuel Yard -	740	Grand and Expense Magazines, Armoury, and Stores.	7,120
Artillery Park-Gun Sheds, Armourer's Shops, &c.	5,400	Old Block-houses, Cottages, Boat-houses, and other Buildings.	1,930
FORT HENRY :		SOREL :	
Buildings, including advanced Battery -	63,350	Barrack Reserve, Soldiers' Barracks, including Stores, Cook-houses, Expense Magazine, &c.	1,200
Hospital Premises - - - - -	890		
Ordnance Yard - - - - -	1,060		
			£. 698,880

No buildings have been handed over to the Dominion Government on payment.

F. E. Chapman,
Lieutenant General, and Inspector General of Fortifications.

CANADA (WARLIKE STORES, &c.).

RETURNS of all SMALL ARMS, ORDNANCE, PROJECTILES, AMMUNITION, ACCOUTREMENTS, and all other STORES handed over to the Government of the Dominion of Canada, in Free Gift, within Three Years of the Date on which the Regular Forces were withdrawn from the Upper Provinces of the Dominion; of all other STORES transferred on Payment to the Government of the Dominion; DESCRIPTIVE STATEMENT of all FORTS and of all other MILITARY and other PUBLIC BUILDINGS transferred to the Government of the Dominion; &c.

(Mr. Eastwick.)

*Ordered, by The House of Commons, to be Printed,
28 February 1873.*

75.

Under 1 oz.

CANADA.

CORRESPONDENCE

RESPECTING

DECK LOADS ACT.



Presented to both Houses of Parliament by Command of Her Majesty,
July 1873.

LONDON:
PRINTED BY HARRISON AND SONS.
[C.—823.] *Price 3d.*

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Correspondence respecting the Deck Loads Act.

No. 1.

The Earl of Dufferin to the Earl of Kimberley.—(Received May 2.)

My Lord,

Ottawa, May 15, 1873.

I HAVE the honour to inclose a copy of a Report of Council, submitting, for the consideration of Her Majesty's Government, a Report from the Minister of Marine and Fisheries on a petition from the Board of Trade of St. John, New Brunswick, respecting a Bill relating to shipping now before the Imperial Parliament.

I have, &c.
(Signed) DUFFERIN.

Inclosure 1 in No. 1.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General on the 15th day of May, 1873.

THE Committee have had under consideration the Report dated 14th May, 1873, from the Honourable the Minister of Marine and Fisheries (annexed), on a petition from the Board of Trade of St. John, New Brunswick, in relation to a Bill now under the consideration of the Imperial Parliament, entitled "A Bill to provide for the Survey of certain Shipping, and to prevent Overloading," and they respectfully submit their concurrence in the said Report, and advise that a copy thereof be transmitted by your Excellency for the consideration of Her Majesty's Government.

Certified,
(Signed) W. A. AINSWORTH,
Clerk Privy Council, Canada.

Inclosure 2 in No. 1.

Ottawa, May 14, 1873.

THE Undersigned has had referred to him for report, by the Honourable the Privy Council of Canada, the annexed petition of the St. John, N. B., Board of Trade, in relation to a Bill now under the consideration of the Imperial Parliament, entitled "A Bill to provide for the survey of certain shipping and to prevent overloading;" upon which he begs to make the following Report:

In the said Petition the said St. John Board of Trade allege as follows:—

"1st. Whereas, by the proposed legislation in the British House of Commons by Mr. Plimsoll's Bill, it is feared by this Board that undue discrimination may be made in favour of iron ships and of Lloyds' Registry; therefore resolved that the Dominion Government be asked to use its influence to prevent any discrimination being made to the injury of our shipping interests, as is feared may be done by this Bill or by other measures that may be proposed, with a due regard being had at the same time to the security of life.

"2nd. Whereas Mr. Plimsoll's Bill for the survey of shipping will, if enacted, deprive the Provinces of the benefit hitherto enjoyed from classification in Bureau Veritas, and, if passed, will be most disastrous to the shipping property under that classification; and

"Whereas the said Bill discriminates against wooden ships and in favour of iron."

The Undersigned has also had referred to him the annexed extract from the minutes of a special meeting of the Halifax, N.S., Chamber of Commerce, with resolution embodied therein upon the same subject.

The Undersigned has carefully examined the Bill referred to, and is convinced that if it passes into law as it is introduced, it will seriously interfere with the shipping of Canada. To illustrate this, he will refer to such portions of the Bill as in his opinion will have that result.

The 4th Section of the said Bill prescribes that every British ship shall be surveyed by an officer of the British Board of Trade, and no ship shall proceed on any voyage from a British port unless the owner or master of such ship has such certificate from the Board of Trade as is by this Act prescribed, and which certificate is in force, and any officer of Customs may detain any British ship until such certificate is produced; and it further declares that "if any British ship proceeds on a voyage without such certificate, the owner and master of such ship shall each incur a penalty not exceeding 50%, and a further penalty not exceeding 10% for every day during which such voyage shall continue."

The 5th Section provides how the survey shall be made, and declares that "in case any such surveyor is not satisfied with the result of such survey he shall deliver to the owner or master of such ship a requisition in writing containing the particulars of the works or other matters in his judgment necessary to render such ship seaworthy, and such owner or master shall, before he receives a declaration of survey, comply with the terms of such requisition to the satisfaction of such surveyor, unless the Board of Trade shall, after appeal, otherwise order and direct." The said Section further provides that the certificate of a surveyor or the secretary of the Committee of Management of Lloyds' Register of British and Foreign shipping, or of the Liverpool Underwriters' Registry for iron vessels shall be received "in lieu of, and the same shall, for the purposes of obtaining a certificate under this Act, be of the same force and effect as a declaration of survey by one of the surveyors of the Board of Trade."

The Bill, in Sections 15 to 18 inclusive, deals with the question of deck loads; and, in Section 17, prohibits vessels, under a severe penalty, except as therein stated, from entering a British port with a deck load between the 1st day of January and the 31st day of March, or between the 15th September and the 31st December in any year.

The Bill, in Sections 19 and 20, deals with the question of the "load line" or "free board" of British vessels, and, by the 4th Schedule, defines how this shall be ascertained, and regulates the same, both as applicable to iron and wooden ships.

In remarking, therefore, upon the way in which the Canadian ships will be affected by this Bill it will be perceived that, in the first place, it is only applicable to British and not to foreign ships; and that as Canadian registered vessels are British ships, and are recognized as such by the British Merchant Shipping Act of 1854, Canadian vessels will be subject, when in British ports outside the limits of Canada, to restrictions from which foreign ships, with which they have to compete, are exempted, and Canadian vessels are thereby placed at a disadvantage in British ports as compared with foreign ships.

It may be said that they are, however, placed upon the same footing as British vessels owned in the United Kingdom, but, in effect, this is not the case; for while the 4th section of the Act makes a survey compulsory, and the requirements of the surveyor absolute (subject to the appeal stated) it gives to the certificates of the officers of the two institutions therein named, viz., Lloyds' Registry and the Liverpool Underwriters' Registry for iron vessels, the same force and value as is given to the certificates of the officers of the Board of Trade; and as the greater proportion of the shipping registered in the ports of the United Kingdom has been built under the supervision of, and surveyed and classed by, the officers of one or other of these Institutions, these certificates can be given without the necessity, in a large majority of cases, of opening up the ships or incurring much expense. This is, however, not the case with Canadian shipping. It is alleged, and I believe with truth, that a very large proportion of the sea-going tonnage of Canada, and more especially of the Provinces of New Brunswick and Nova Scotia, is built and classed under the supervision of and by the officers of Bureau Veritas, and as it is a rival institution to Lloyd's, and

has in the past four years largely superseded it in the classification of Canadian ships, it could scarcely be expected that the Committee of Lloyd's, or their officers, would accept the inspection and classification of Bureau Veritas as sufficient, and especially as their rules of construction differ so widely, and it would therefore necessarily follow that in every case of the thousands of sea-going vessels which Canada owns, and which as before stated, are largely classed in Bureau Veritas, the greater portion of them before they could sail out of a British port (other than a Canadian port) would probably have to go into dock, be opened up, and incur the expense and delay of a re-inspection and classification either by the officers of the Board of Trade or Lloyd's surveyors; and this means in each case a large amount of money, while the ships of the United Kingdom, built under Lloyd's, would avoid this difficulty, expense, and delay.

There is, however, another danger which Canadian shipowners have to fear from the state of facts referred to, viz., that inasmuch as Lloyd's and Bureau Veritas vary considerably in respect to scantling, materials, fastenings, outfits, &c., and as by the Bill referred to, it may be reasonably assumed that Lloyd's requirements of construction will be made the standard of efficiency, upon which certificates will be issued by the Board of Trade, a large proportion of our vessels will be in danger of being refused certificates altogether, or at least they will only be obtained after much expense and delay have arisen.

It must, therefore, be apparent that under the Bill as proposed, Canadian ships would be placed at a great disadvantage, as well with foreign ships as with vessels of the United Kingdom.

In relation to the next feature of the Bill, viz., the regulation of deck loads, the Undersigned would observe that the 17th section is objectionable, and will seriously affect not only the shipping, but the lumber trade of Canada, inasmuch as it imposes very severe penalties for entering a British port with a deck load within the limitation of time hereinbefore named. The Parliament of Canada at its present session passed a law regulating the carriage of deck loads (a copy of which is hereto annexed). By this law it will be perceived that vessels are prohibited from carrying deck loads, from the 1st of October to the 16th March, higher than three feet above the deck, and that only of sawn lumber with spare spars for ship's use on voyages from Canada to Europe, but to that extent they are so permitted, and at other periods there is no restriction—and further, that vessels sailing between Canadian ports and the West Indies are restricted, between the 15th November and 16th March, to a maximum height over the main deck of four feet six inches of sawn lumber. This measure received very full consideration before it was adopted by the Parliament of Canada, and though opposed in its various stages by many members of Parliament as being too restrictive, it will be seen by the annexed statement of the evidence and discussion thereon, had before the Parliamentary Committee on Banking and Commerce—which Committee is composed of the leading business and commercial men of the Commons House of Parliament—that the Bill was generally sustained, and was adopted as a fair and just law in regard to the limitation to be placed on deck loads. Should, however, Mr. Plimsoll's Bill become law it will be perceived that a vessel may comply with our law and take three feet in height of deck load, and when she arrives in the United Kingdom will be liable to severe penalties, inasmuch as no vessel is permitted to enter British ports with any deck load between the periods named in said section 17. This would very seriously affect the trade between Canada and the United Kingdom, as appears by the discussions which were elicited before the said Committee of Banking and Commerce.

In regard to the "free board" or "load line," it will be seen by reference to the said annexed Petition of the St. John Board of Trade, and the statements of the Committee of the Halifax Chamber of Commerce, that they claim that the proposed arrangement will work detrimentally to Canadian shipping, and that a preference will be given to iron vessels over the vessels of Canada, which are almost entirely wooden, but which it is claimed are as buoyant and as susceptible of carrying cargoes as iron vessels. On this point the Undersigned can offer no opinion, but if the facts are as the St. John Board of Trade have stated (and he has no reason to doubt it) the matter should be brought under the notice of the Imperial Government, with a view of preventing an unintentional wrong being done to our shipping.

The Undersigned having thus pointed out the injurious manner in which certain of the provisions of the Plimsoll Bill will affect the shipping of Canada would beg to observe that, at the request of the British Board of Trade, the Government of

Canada deferred legislation in matters relating to shipping, even after the Bills were before Parliament, because, as was stated by the British Board of Trade, it was desirable to see what action the Imperial Parliament would take in relation to the Shipping Code, which, for successive sessions for several years past, the Imperial Parliament has had under consideration. Before Canada legislated last year, the Department of the Undersigned received intimation that the code relating to merchant shipping, then under the consideration of the Imperial Parliament, was not likely to be passed, and that it would not be well further to defer Canadian legislation. The Government of Canada has accordingly submitted to the Canadian Parliament several measures relating to and regulating pilotage, merchant shipping, and seamen, several of which have become law, and which are largely assimilated to past Imperial legislation. Amongst these is one, a copy of which is annexed, entitled "An Act relating to Shipping, and for the Registration, Inspection, and Classification thereof," in which provision is made for the inspection and classification of ships within the dominion of Canada. Under this law it is proposed to establish a system of inspection and classification, which it is hoped will take the place, so far as Canadian tonnage is concerned, of both Lloyd's and Bureau Veritas, and it is of the utmost importance to the shipping interests of Canada that the certificates which may be granted under the law referred to, should be recognized by the Board of Trade in the same manner as it is proposed by the fifth section of the Plimsoll Bill, that the certificates of Lloyd's officers or the officers of the Liverpool Underwriters' Registry of iron vessels, should be recognized.

The Undersigned would respectfully observe that the shipping interests of Canada have assumed such vast proportions that her people view with alarm any legislation which may effect detrimentally that great interest.

There is now owned in Canada tonnage amounting to about 850,000 tons, valued at about 25,000,000 dollars, and giving employment to about 25,500 men. The people and Government of Canada are fully alive to the importance of fostering and encouraging such a great source of national and individual wealth; and though the Parliament of Canada, by its legislation, has fostered and promoted the prosperity of our merchant marine, it has never hesitated, when the interests of humanity demanded it, to impose such restriction as was necessary to give additional security to life; but it cannot be denied that the effect of the present measure, if it becomes law, will be to hold out inducements to transfer a large portion of the tonnage of Canada to foreign flags, as by that transfer Canadian shipowners would escape the restriction which would be imposed upon them by the proposed Bill.

The Undersigned would view with great regret the necessity for such a course, yet he feels assured that if the Imperial Parliament should legislate in such a manner as to discriminate, in practice, unfavourably to Canadian ships, such will be the result.

The St. John Board of Trade ask, in order to remedy the classification difficulty that Bureau Veritas should be given the same classification as is given to Lloyd's.

There is no doubt that the feeling largely pervades our shipping communities that the rules of construction of Bureau Veritas are more sensible, and more suited to securing a substantial sea-worthy ship, at a minimum of cost in Canada, than Lloyd's, and the former is represented as practically driving the latter out of most of our building ports, and therefore the recognition of Bureau Veritas, as asked for in the said Petition of the St. John Board of Trade, would give satisfaction to our ship-owners. The Undersigned, however, cannot recommend that a foreign association, over which the British Parliament have no control, and which is practically beyond the reach of British influence, should be officially recognized, and he believes, from a national point of view, it would not have in the future a beneficial effect, and he cannot, therefore, recommend such recognition.

The Undersigned would further observe that his attention has been called to the injurious effects the said Plimsoll Bill, if it became law, would have upon Canadian shipping, from several other sources besides those referred to, and on the 10th instant he, by appointment, met the Representatives in Parliament for Nova Scotia and New Brunswick, who urged the necessity of remonstrating with the Imperial Government against permitting the said Bill becoming law so far as to affect Canadian tonnage, and also urging the immediate establishment of a system of Canadian classification and inspection. It will also be remembered that the Government has been questioned in the Canadian Parliament as to whether they have taken steps to obtain the exemption of Canadian tonnage from the operations of said Bill.

The Undersigned would observe that a strong feeling exists in Canada that in questions so vitally affecting our interests as those relating to shipping, and to which our Canadian Parliament give so much attention, and in relation to which our Canadian people are well qualified to judge of what suits their interests, Her Majesty's Government may safely adopt the policy, that wherever the Canadian Parliament have dealt with questions relating to shipping, the Imperial Parliament should exempt Canadian ships from the operation of Imperial Legislation upon that subject.

This principle the Imperial Parliament, to a great extent, have already recognized in the Merchant Shipping Act of 1854, in exempting Colonial ships while within the bounds of a Colony having a Parliament or Legislature which has legislated upon the subject, from the operations of said Act. It is desirable that the principle of exemption, in so far as Canadian shipping is concerned, should be extended to all British ports, and that the Imperial Government should throw the responsibility of the legislation necessary to control and regulate Canadian shipping upon the Canadian Parliament, subject, always, to the control which Her Majesty possesses, in the approval or rejection of such measures as the Canadian Parliament may enact.

This course would give great satisfaction in Canada, and would do much to perpetuate those ties which bind us to the Mother Country.

The Undersigned believes that such a policy is in accordance with the general views entertained by Her Majesty's Government, and the experience of past years shows that the Parliament of the Dominion of Canada have not unworthily exercised the great powers which they possess, and he would, therefore, respectfully submit that Her Majesty's Government should be asked to recognize the principle which he has above stated.

He would, therefore, recommend that, pending the decision upon the above recommendation, and in order to relieve Canadian shipping from the evils anticipated from the Plimsoll Bill—

1st. That the Imperial Government be asked that any legislation that may be had affecting shipping, they should give to the Canadian inspection and classification of vessels hereinbefore referred to, when it may be organized, the same standing and recognition as they may give to Lloyd's Registry or the Liverpool Underwriters' Registry for iron vessels.

2nd. That if the Plimsoll Bill or one of a similar character becomes law, that for the first twelve months thereafter it shall not apply to Canadian vessels, in order to afford to Canadian shipping an opportunity to obtain the necessary inspection and classification under the Canadian system of inspection and classification, as contemplated by the annexed Bill.

3rd. That inasmuch as the Canadian Parliament has legislated upon the Deck Load question, Canadian vessels should be exempted from the operation of Sections 15, 16, and 17 of the Plimsoll Bill.

4th. That Canadian vessels be exempt from the operations of Sections 19 and 20 of the said Bill; or if Her Majesty's Government consider that course objectionable, then that due consideration be given to the representations contained in the annexed petition from the St. John Board of Trade in relation to the Load Line of Canadian ships as compared with iron ships.

Respectfully submitted,
(Signed) P. MITCHELL,
Minister of Marine and Fisheries.

To his Excellency the Governor-General in Council.

The petition of the Undersigned humbly sheweth—

That the St. John Board of Trade, at a meeting held in the City of St. John and Province of New Brunswick, called specially to take into consideration "a Bill to provide for the survey of certain shipping and to prevent overloading," prepared and brought into the British House of Commons by Mr. Plimsoll (a copy of which is hereto annexed), after a lengthy discussion of some of the provisions of the said Bill, unanimously adopted the following resolutions:

1st. Whereas by the proposed legislation in the British House of Commons by Mr. Plimsoll's Bill, it is feared by this Board that undue discrimination may be made in favour of iron ships, and of Lloyd's Registry; therefore resolved, that the Dominion Government be asked to use its influence to prevent any discrimi-

nation being made to the injury of our shipping interests, as is feared may be done by this Bill, or by other measures that may be proposed, with a due regard being had at the same time to the security of life.

2nd. Whereas Mr. Plimsoll's Bill for the survey of shipping will, if enacted, deprive the Provinces of the benefit hitherto enjoyed from classification in "Bureau Veritas," and if passed, will be most disastrous to the shipping property under that classification; and

Whereas the said Bill discriminates against wooden ships, and in favour of iron:

Therefore resolved that our Representatives at Ottawa be requested to take such action in the matter as will afford owners of vessels classed in Bureau Veritas sufficient protection against such unfair discrimination.

This Board is of opinion that some of the clauses of Mr. Plimsoll's Bill are prejudicial to ship owners in the Dominion of Canada, and in support of that opinion would beg respectfully to submit the following facts:—

The tonnage registered in the Province of New Brunswick comprises 1,209 vessels, measuring upwards of 278,000 tons—a considerable proportion of this tonnage is composed of vessels of a large class, employed in long voyages.

The tonnage of the Province of Nova Scotia, consists of about 4,000 vessels, measuring upwards of 450,000 tons. The combined tonnage of these two Provinces sums up 728,000 tons which, on the basis of 30 dollars per ton, represents a value of nearly 22,000,000 of dollars.

This amount of tonnage is rapidly increasing every year. The vessels now in course of construction, and to be built in New Brunswick this present year, will reach 40,000 tons, and in Nova Scotia 60,000 tons, placing the mercantile marine of the Dominion of Canada the third in extent in the world.

This Board would further submit that, for some years past, the largest proportion of vessels built in New Brunswick and Nova Scotia, have been constructed under the inspection of the surveyors of the Society of Bureau Veritas, and that not less than four-fifths of the vessels classed in the two Provinces named are in the books of that society, and it is the opinion of this Board, that a vessel built in accordance with the Rules of the Society of "Bureau Veritas" is not inferior to a vessel built in accordance with the Rules of "Lloyd's Register of British and Foreign Shipping;" and if necessary to substantiate this opinion, this Board can produce satisfactory evidence of the work performed by vessels classed in "Bureau Veritas" as compared with that of vessels classed in "Lloyd's Register," if afforded an opportunity of doing so. In proof of this assertion, this Board would refer to the well-known fact, that vessels classed in "Bureau Veritas" are accepted by Underwriters on as favourable terms as if the same were classed in "Lloyd's Register."

In view of all these facts, this Board was much surprised to learn that by the 5th section of Mr. Plimsoll's Bill, vessels classed in "Bureau Veritas" will not be recognized by the Board of Trade of Great Britain, and if not classed in "Lloyd's Register of British and Foreign Shipping," they will require to be subject to survey before the certificate can be obtained from the Board of Trade.

As such a restriction is so manifestly unjust, making such an undue discrimination in favour of vessels classed in "Lloyd's Register," this Board are unwilling to believe that the promoters of this Bill would seek to injure so unnecessarily the ship-owning interest of this Dominion, as well as curtail its extension, when the facts are clearly laid before them.

This Board would further submit that the discrimination in the "load line," in favour of iron ships, as against first-class wooden vessels, is not warranted or justified by the experience of the work performed by wooden ships compared with iron on the same voyages, and if such restriction in the load line in this Bill is not withdrawn, it is calculated to effect, in a very marked degree, the extension of the Mercantile Marine of the Dominion of Canada—in fact, this effect is already experienced, as from recent advices received from Great Britain, this Board is informed that one result of the proposed legislation has been to lessen the demand for our wooden vessels, and has placed iron ships in a more favourable position than they have lately obtained.

It will not be disputed that our wooden ships, with the same free-board, are as buoyant as iron vessels, and while the evils, which Mr. Plimsoll's Bill was originally intended to cure, existed chiefly in iron vessels, yet by the 19th Section, and fourth Schedule of his Bill, a discrimination on the free-board is made in favour of iron

ships, when it is a well established fact, that our first-class wooden ships have competed successfully with first-class iron ships in every part of the globe.

This Board, therefore, is of opinion that first-class wooden vessels, classed in "Bureau Veritas," or in "Lloyd's Registry," should not be required by the fourth schedule in Mr. Plimsoll's Bill, to have any greater free-board than iron vessels.

And, lastly, this Board would submit that, as it appears from the statements herein, the greater portion of the tonnage of the Dominion of Canada is classed in the society known as "Bureau Veritas," it follows that the exclusion of vessels so classed from being recognized by the 5th section of Mr. Plimsoll's Bill will be an act so very unfair and wholly unjustifiable that our dominion shipowners will either have to submit to the arbitrary terms of the Act, or be forced to put their vessels under a foreign flag, in order that they may, in common with foreign vessels, be exempt from the provisions of this Bill.

This Board, therefore, would humbly pray that your Excellency and Honourable Privy Council will take such measures as will prevent any hasty legislation in the British Parliament on a question of such serious importance to the largest interest in the Dominion of Canada, and secure such alterations in Mr. Plimsoll's Bill, as will place vessels classed in "Bureau Veritas" in as favourable position as those classed in "Lloyd's Register of British and Foreign Shipping," as well as remove any restrictions in the load line against first-class wooden vessels, as named in the 4th schedule of this Act.

And your Petitioners, as in duty bound, will ever pray.

(Signed) C. H. FAIRWEATHER, *President,*
St. John Board of Trade.
 A. C. FAIRWEATHER, *Secretary.*

*Extract from the Minutes of a Special Meeting of the Chamber of Commerce, Halifax,
 Nova Scotia, held 7th May, 1873.*

The Committee appointed by the Chamber to consider and report on Mr. Plimsoll's Bill, respecting the survey of shipping, now before the British Parliament, to which attention had been directed by a telegram from the St. John, New Brunswick, Board of Trade, having fully discussed the matter, report as follows:—

In view of the great alarm created by the proposed change in the classification of vessels, as contemplated in the Bill recently presented to the British Parliament by Mr. Plimsoll, which requires that vessels classed in Bureau Veritas will have to undergo a survey before a certificate will be granted from the Board of Trade of Great Britain, your Committee report that, owing to the general satisfaction the classification of Bureau Veritas has given, it being so stringent and thorough in every particular, and having been so generally adopted by our shipowners, and accepted by under-writers on as favourable terms as those classed in Lloyd's—if such a Bill is passed the result will be very disastrous to the owners of ships and shipping property in general.

It is also intended by Mr. Plimsoll's Bill to favour, under a proposed Schedule, iron ships, by allowing them a lesser free-board, when loaded, than wooden ships.

The Committee are of opinion that, so far as their experience goes, such a regulation might act unfairly against Colonial shipping, as many wooden ships are calculated to load quite as much cargo, in proportion to tonnage, as iron ships.

Your Committee would therefore recommend that the Chamber impress on our representatives at Ottawa the necessity of co-operating with representatives from the city of St. John, New Brunswick, and to urge upon the Dominion Government the great necessity for immediate attention to this matter, that they may obtain from the British Government such a modification of the measures contemplated in the Bill as may best subserve the interests of so important and growing a business as the shipping of this Dominion.

(Signed) W. J. STAIRS.
 J. T. WYLDE.
 CHAS. H. M. BLACK.
 W. J. LEWIS.
 JOHN PUGH.
 CHAS. M. CREED, *Secretary.*

The adoption of the Report was moved by John M. Watson, Esq., seconded by J. S. Belcher, Esq., and passed unanimously.

It was resolved that a copy of the Report be transmitted to the representatives of Halifax at Ottawa, and that the Chamber would also earnestly request that in event of Mr. Plimsoll's Bill passing, due protection should be afforded to ships now sailing under the classification of "Bureau Veritas" that ship-owners may have the benefit of the same until expiration of classification, without being compelled to re-survey in English Lloyd's.

Inclosure 3 in No. 1.

An Act relating to Shipping, and for the Registration, Inspection, and Classification thereof.

WHEREAS the rule of measurement of ships contained in the "Act respecting the registration of inland vessels," forming chapter forty-one of the Consolidated Statutes of the late Province of Canada, being the same as that contained in the Acts of the Imperial Parliament in force on the seventeenth day of March, one thousand eight hundred and forty-five, differs from that contained in the Act of the Imperial Parliament known as "The Merchant Shipping Act, 1854," and Acts amending the same; and whereas it is desirable that but one rule of measurement of ships should prevail in Canada, and that ships navigating the inland waters of Canada should not be subject to provisions of law in some other respects different from those to which other ships in Canada are subject; and whereas it is desirable to make better provision for giving security to persons advancing money on ships in course of construction, and to provide for the inspection and classification of ships built or registered in Canada; Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preliminary.

1. This Act shall take effect upon, from and after the day not being earlier than the first day of January, one thousand eight hundred and seventy-four, named for that purpose in any Proclamation, published by the Governor to the effect that the same has been confirmed and approved by Her Majesty in Council.

2. And whereas, by the five hundred and forty-seventh section of "The Merchant Shipping Act, 1854," it is enacted and provided that the Legislative Authority of any British possession shall have power, by any Act or Ordinance confirmed by Her Majesty in Council, to repeal, wholly or in part, any provisions of the said Act relating to ships registered in such possession, so much of the said Act and of any other Act amending the said Act and forming part of the same, as is inconsistent with this Act is hereby repealed so far as relates to ships registered in Canada.

3. The "Act respecting the registration of inland vessels," forming chapter forty-one, and the "Act for the encouragement of ship-building," forming chapter forty-two of the Consolidated Statutes of the late Province of Canada, and chapters first, second, and third of Title second of Book fourth of the Civil Code of Lower Canada, except so much of Articles 2356, 2359, 2361, 2362, 2373, and 2374 as are not inconsistent with the provisions of this Act, are also hereby repealed. Part the second of chapter seventy-five of the Revised Statutes of Nova Scotia, third series, "of the registration of ships," is also hereby repealed.

4. In this Act,—

The term "the Minister" means the Minister of Marine and Fisheries.

The term "ship" includes every description of vessel used in navigation not propelled by oars.

The term "ships belonging to Her Majesty" includes ships the cost of which has been defrayed out of the Consolidated Revenue Fund of Canada, and ships described as the property of Canada by the one hundred and eighth section of "The British North America Act, 1867."

The term "master" includes every person having command or charge of any ship.

5. Nothing in this Act shall apply to ships belonging to Her Majesty.

6. This Act is divided into four parts:

The first part relating to the measurement and registration of ships; and unseaworthy ships.

The second part relating to the licensing of small ships and other vessels.

The third part relating to the security for advances on ships in course of construction.

The fourth part relating to the inspection and classification of ships.

PART I.—*Measurement and Registration of Ships.*

7. The following ships are exempt from the provisions of this part of this Act, viz. :—

(1.) Ships having a whole or fixed deck, not propelled wholly or in part by steam, and not exceeding ten tons burthen.

(2.) Ships not propelled wholly or in part by steam, and not having a whole or fixed deck, whatever their burthen.

8. Except as hereinafter mentioned, no ship propelled either wholly or in part by steam, whatever her tonnage, and no ship not propelled wholly or in part by steam, of more than ten tons burthen, and having a whole or fixed deck, although otherwise entitled by law to be deemed a British ship, shall be recognized in Canada as a British ship, nor be admitted to the privileges of a British ship in Canada, until, nor unless, she be duly registered in the United Kingdom, or in Canada, or some other British possession, under the said Act as amended as aforesaid.

9. In cases where it appears to the Lieutenant-Governor of any Province of Canada, that by reason of special circumstances it would be desirable that permission should be granted to any British ship to pass, without being previously registered, from any port or place within the Province of which he is Lieutenant Governor, to any other port or place in Her Majesty's dominions, such Lieutenant Governor may grant a pass accordingly, and such pass shall, for the time and within the limits therein mentioned, have the same effect as a pass granted by the Governor, or as a certificate of registry; and each Lieutenant-Governor shall forward, without delay, to the Governor-in-Council a copy of each pass granted by him.

10. The Governor-in-Council may appoint, at and for every report at which he deems it expedient to authorize the registry of ships, the collector or other principal officer of Customs, who shall be the Registrar for all the purposes of "The Merchant Shipping Act, 1854," and the Acts amending the same, and of this Act.

11. The Governor in Council may appoint at every such port, and at any other port in Canada, an officer to superintend the survey and admeasurement of ships in conformity with the said Acts and this Act; and the same person may be appointed both the Registrar and Surveyor at any such Registry Port.

12. Such surveyor shall be entitled to such fees for the measurement of ships about to be registered for the first time under this Act, or requiring measurement for the purposes of registry, and to such travelling expenses, when required to travel for the purpose of making any such measurement, as the Governor in Council, may from time to time by Order in Council, see fit to establish; and such fees, and travelling expenses (if any) shall be paid to such surveyor by the persons requiring his services; and any surveyor may, in any case, withhold his certificate of measurement, or any other document that may be required of him, until his fees and travelling expenses (if any) be paid, and such fees shall be in lieu of all salary and other remuneration whatever for such services, but no fees shall be charged in Canada for registering vessels or recording transactions relating to the registry of vessels under this Act or under "The Merchant Shipping Act, 1854," or its amendments.

13. In any case where two or more persons claim to be builders or owners of any ship, or present the builder's certificate to the Registrar of Shipping at any port in Canada for the purpose of obtaining registry for such ship under the provisions of section 40 of "The Merchant Shipping Act, 1854," and are not agreed as to who is the builder or owner of the same, such Registrar may refuse to grant registry for such ship, and is hereby empowered to summon witnesses, administer oaths, demand any books or papers, and receive any evidence relating to such ship; and a copy of such evidence taken, and a report thereon, shall be submitted by him to the Governor in Council, who shall issue such directions in the case as to the giving of security to the other claimant or claimants, or any other matter or thing, as he may deem necessary; and registry shall be granted in pursuance of such directions and not otherwise.

14. No ship duly registered under the provisions of the said "Act respecting

the registration of inland vessels," forming chapter 41 of the Consolidated Statutes of the late Province of Canada, before the day on which this Act takes effect, need be registered after that day in pursuance of the provisions of this Act, except for the purpose of enabling her to proceed to sea as a British ship.

But no ship required by the said Act to be registered shall, unless duly registered under the provisions of the said Act before the said day, and no other ship required to be registered in Canada, under the provisions of "The Merchant Shipping Act, 1854," as amended as aforesaid, or under the provisions of this Act, shall, unless so registered before or after the said day, be recognized in Canada as a British ship; and no officer of Customs shall grant clearance to any ship required to be registered under the provisions of either of the said Acts, or of this Act, for the purpose of enabling her to proceed on a voyage unless the master of such ship, upon being required so to do, produces to him the proper certificate of registry; and if any such ship attempts to proceed on a voyage as a British ship without a clearance, any officer of Customs may detain such ship until such certificate is produced to him.

15. No new certificate of registry of a ship registered in Canada shall be granted in Canada, under section 48 of "The Merchant Shipping Act, 1854," without proof on oath of the certificate of registry of such ship having been lost, mislaid, or destroyed.

16. If any British or foreign registered ship is either actually or constructively wrecked and the register thereof is closed, and the certificate of registry is delivered up to the proper officer and cancelled; or, if any ship, sailing under a pass from the Governor, or under a pass from a Lieutenant-Governor under the ninth section of this Act, is either actually or constructively wrecked on the voyage, and during the time and within the limits mentioned in such pass, the Governor in Council may direct that such ship may be registered as a British ship in any port in Canada at and for which there is a Registrar of Shipping, on proof being adduced, to the satisfaction of the Governor in Council, that such ship has been thoroughly repaired and made seaworthy, and also that all the transactions connected with the wreck, condemnation, and sale of such ship, were in good faith, and that all the requirements of the law have been complied with; but no Registrar of Shipping shall register any such ship without the authority of the Governor in Council.

17. Every person may, upon payment of a fee of twenty cents, have access to the register of any ship registered in Canada, at the port of registry of such ship, at any reasonable time during the hours of official attendance of the Registrar, and such fees shall, from time to time as may be directed by the Governor in Council, be paid by the Registrars receiving the same to the Receiver-General, to form part of the Consolidated Revenue Fund of Canada.

18. Subject to the provisions of this Act, collectors or other principal officers of Customs in Canada, not being Registrars of Shipping, shall have the same power and be under the same obligation to endorse from time to time on the certificate of registry of any ship at any port in Canada where the said ship may be, any change of master which takes place at that port, as are given to and laid upon Registrars of Shipping under "The Merchant Shipping Act, 1854."

19. For and notwithstanding anything to the contrary contained in the forty-sixth section of "The Merchant Shipping Act, 1854," in case any Registrar of Shipping, or collector or other principal officer of the Customs at any port or place in Canada, receives conflicting directions from owners of any ship registered in Canada as to a change of the master of such ship, such Registrar, or collector or other principal officer, may refuse to endorse a memorandum of the change of master on the certificate of registry of such ship, unless or until he receives a declaration, according to the form in the first schedule to this Act, or as near thereto as circumstances permit, from the registered owners representing a majority of shares in such ship, or from their duly appointed agent or agents, setting forth the name of the person appointed in lieu of the former master, who shall be named in such declaration; the said declaration shall be made and subscribed in the presence of the Registrar or collector of Customs if the declarant or declarants reside within five miles of the Custom-house of the port of registry, but if beyond that distance, in the presence of any Registrar or collector of Customs in Her Majesty's dominions, or of any Justice of the Peace; and in addition to such declaration, the Registrar of Shipping or collector of Customs at the port where the change is requested to be endorsed, may require to be produced a certified copy of the register, or such other evidence as he may deem necessary, as

proof of the ownership of the ship; and in case the ship is at or near such port, he shall, on the demand of a majority of the owners thereof, require the master, or any other person in the possession of the certificate of registry to produce and deliver the same to him; and in default of the same being forthwith produced and delivered up to him he may detain the ship, and not allow her to proceed to sea until the same has been produced and delivered up to him; and every person having possession of the certificate of registry of a ship registered in Canada, and refusing or neglecting to produce and deliver up the same to any registrar of shipping or collector of Customs requiring the same to be produced and delivered up to him under the provisions of this section, shall incur a penalty of five hundred dollars.

20. Every Registrar of Shipping and every collector of Customs shall keep a record of every endorsement of a change of master made by him on the certificate of registry of a ship, and shall specify in such record the date of such endorsement, the name of the ship, the official number of the ship, the port of registry of the ship, the name of the old master, the name of the new master, and whether or not he has a certificate of competency or a certificate of service, and, if he has either of such certificates, the number thereof; and every such record shall be kept in the office of the Registrar of Shipping or collector of Customs making the same, or his successor as such, and shall at all times during the usual office hours be open to all persons for inspection, without fee or reward.

21. Upon the managing owner, or any of the managing owners (if more than one), of a ship registered in Canada being changed, or, if there be no managing owner, upon the ship's husband being changed, the newly appointed managing owner or owners or ship's husband shall forthwith give notice of such change to the registrar of the ship's port of registry, who shall register the same accordingly; any managing owner or ship's husband who fails to comply with the requirements of this section shall incur a penalty not exceeding one hundred dollars.

22. With respect to the names of ships registered in Canada the following rules shall be observed:—

1. A ship shall not be described by any name other than that by which she is for the time being registered;
2. No change shall be made in the name of a ship without the previous permission of the Governor in Council. Upon such permission being granted, the ship's name shall forthwith be altered in the register book, in the ship's certificate of registry, and on her bows and stern.
3. If in any case it is shown to the satisfaction of the Governor in Council that the name of any ship has been changed without his previous permission, he may direct that her name be altered into that which she bore before such change, and the name shall be altered in the register book, in the ship's certificate of registry, and on her bows and stern accordingly;
4. Where a ship having once being registered has ceased to be so registered, no person, unless ignorant of such previous registry (proof of which shall lie on him), shall apply to register, and no registrar shall knowingly register such ship, except by the name by which she was previously registered, unless with the permission of the Governor in Council.

Every person who acts, or suffers any person under his control to act in contravention of this section, or who omits to do, or suffers any person under his control to omit to do any thing required by this section, shall for each offence incur a penalty not exceeding four hundred dollars; and any registrar or principal officer of Customs may detain the ship until the provisions of this section are complied with.

Application for a change of name shall be made in writing to the Governor in Council. If of opinion that the application is made on reasonable grounds, the Governor in Council may entertain the same, and may thereupon require notice thereof to be published in such form and manner as he may think fit.

23. Whenever a shipping casualty happens anywhere in the case of a ship registered in Canada, or within the limits of Canada in the case of any other British ship, the master, or if the master is dead the chief surviving officer, and also every such other person belonging to the ship as the Minister may from time to time direct, shall, within twenty-four hours of his first landing in Canada after the happening of such casualty, attend and submit himself for examination at the office of the principal officer of Customs residing at or near the place where such casualty

occurred, if the same occurred on or near the coasts of Canada, or any island or place adjacent thereto, but if the casualty occurred elsewhere, at or near the place of such landing, unless he has been previously examined or excused from attending for examination by any other principal officer of Customs residing at or near either of such places or by any receiver of wreck in the United Kingdom; and if any master, officer, or other person makes default in obeying the provisions of this section he shall incur a penalty not exceeding 200 dollars.

24. Whenever the managing owner of any ship registered in Canada has information that such ship is lost, or in consequence of her non-arrival or otherwise, has reason to apprehend that she is lost, he shall forthwith send notice of such loss or apprehended loss to the Minister, and shall, upon requisition by the Minister, furnish to him such information as he may be required and able to furnish respecting such ship and the loss thereof, and the property and persons on board, and if he makes default in obeying the provisions of this section, he shall incur a penalty of not exceeding 200 dollars.

25. Every Registrar of Shipping shall, on or before the 20th day of January in each year, make and forward to the Minister a return, in such form and containing such particulars as the Minister may from time to time direct, of all existing ships of which the registry remained in his registry-books on the 31st day of December then last.

Unseaworthy Ships.

26. If complaint is made to the Minister that any ship registered in Canada is, by reason of the defective condition of her hull or equipments, or by reason of her being over-loaded or improperly loaded, unfit to proceed to sea, or on any voyage on any waters within the limits of Canada, the Minister may cause such ship to be surveyed by a person appointed by him, first exacting from the complainant, if he thinks fit so to do, a deposit of money to defray the expenses of the survey, and to pay any loss which may be sustained by the owner on account of any detention, or such security for the payment of such expenses and loss as he may deem sufficient; and if such person report that the hull or equipments of such ship is or are in such a state, or that such ship is so loaded that she could not proceed to sea or on any such voyage, as the case may be, without serious danger to human life, the Minister may declare such ship to be unseaworthy, and thereupon any principal officer of Customs may detain such ship.

Every such complaint shall be in writing, and shall state the name and address of the complainant; and a copy of the complaint, including the name and address of the complainant, shall before or during such survey be given by the Minister to the master or to an owner of the ship.

If, upon such survey, such ship is found to be seaworthy, the expenses of the survey shall be paid to the Minister by the person making the complaint, without prejudice to any right of suit or action against him by any person aggrieved by the complaint.

If, upon such survey, such ship is found to be unseaworthy, the expenses of the survey shall be paid to the Minister by the owner of the ship.

27. Any shipowner who is dissatisfied with the decision of any person appointed by the Minister under this section may appeal to the Court of Vice-Admiralty having jurisdiction in the place where such ship was surveyed, if any there be, and if not then to the Court of Vice-Admiralty holding its sittings nearest to the place where such ship was surveyed, and such Court may, if such Court think fit, appoint a competent person or competent persons to survey such ship anew. Upon any such appeal such Court may make such order as to the detention or discharge of the ship, as to the payment of any costs and damages which may have been occasioned by her detention and as to the payment of the expenses of the original survey and of the survey anew, as to such Court seems just.

28. Any person appointed either by the Minister or by any Court of Vice-Admiralty to survey a ship under the provisions of the next preceding sections of this Act, may in the execution of his duty go on board such ship at all reasonable times and inspect the same or any part thereof, or any of the equipments, cargo, or articles on board thereof, or the certificate of registry thereof, not unnecessarily detaining or delaying the ship in proceeding on her voyage; and if such person considers it necessary to do so, he may require the ship to be so dealt with as that he may be able to inspect every part of the hull thereof; and whosoever hinders any person so appointed from going on board any ship or otherwise impedes him in

the execution of his duty, under this Act, shall, for every such offence incur a penalty not exceeding twenty dollars.

29. Every person who, having authority as owner or otherwise, to send a ship registered in Canada to sea, or on any voyage on any waters within the limits of Canada, from any port or place in Canada, sends her to sea or on any such voyage from any such port or place in an unseaworthy state, so as to endanger the life of any person belonging to her on board the same, shall be guilty of a misdemeanor, unless he proves that he used all reasonable means to make and keep the ship seaworthy, and was ignorant of such unseaworthiness, or that her going to sea, or on such voyage, in an unseaworthy state was, under the circumstances, reasonable and unavoidable, and for this purpose he may give evidence in the same manner as any other witness. A misdemeanor under this section shall not be punishable on summary conviction.

PART II.—*Licensing of Small Ships and other Vessels.*

30. The master or owner, or managing owner, or one of the managing owners, if there be more than one, of every ship exempted by section 7 of this Act from the provisions of the first part of this Act, and of every vessel not being a ship within the meaning of this Act, employed in or owned for the purpose of fishing or trading or carrying loads of any kind in any of the waters of Canada at the commencement of this Act, shall within three months from and after that date, and the master or owner of every such ship or vessel so employed or owned for such purpose, shall, within one month from the date of her being so employed by him, or of her being built or acquired for the purpose of so employing her, take from the Collector or other principal officer of the Customs at some port or place in Canada, a license, which it shall be the duty of the Collector or other principal officer of the Customs at every port or place in Canada to furnish, without fee or reward, to every person applying for the same at his Custom-house or office, in office hours, and complying with the provisions of this section in respect of such application; and such license shall be in the form of and shall contain the particulars provided for in Form B in the second Schedule to this Act.

31. Upon any such application being made to a Collector or other principal officer of the Customs, the following provisions shall take effect:—

(a.) The Collector or principal officer of Customs shall furnish the applicant, gratis, with a printed blank for a declaration in the form of Form A in the second Schedule to this Act;

(b.) The applicant shall fill up the said form with true statements, in their proper places, of the length, breadth, depth, and approximate tonnage of the ship or vessel, the names of the owner or owners thereof, and, if the property in the ship or vessel be divided into shares, the number of shares held by each owner, and shall subscribe the same, and return the same to the officer;

(c.) The officer shall then fill up a license with the particulars stated in the declaration, adding thereto the name of the port and the number of the license, which shall be consecutive for each port, and sign such license, and hand the same to the applicant;

(d.) The officer shall record the particulars contained in the license in a book, to be kept by him for that purpose.

32. Every ship or vessel required to be licensed under the provisions of section thirty of this Act shall at all times have the name of the port or place at which she was last licensed, which shall be considered for the time being her port of license, with the number of her last license painted on her bow or stern in letters not less than three inches long, of light colour, on a dark ground.

33. Whenever the property in a ship or vessel required to be licensed as aforesaid passes wholly into new hands, the master, or the new owner or managing owner, or one of the new managing owners, if there be more than one, shall, within one month from and after such change of ownership as aforesaid, take out a new license at some port or place in Canada, and upon receiving the same shall deliver up the former license, if in his possession, to the Collector or other principal officer of the Customs at such port or place.

34. Every master or owner or managing owner of any ship or vessel required to be licensed under the provisions of this part of this Act who neglects, without reasonable cause (the proof which shall lie upon him) to apply for and take out a license for such ship or vessel within any delay allowed by this Act for that purpose,

or who neglects to keep the name of her last port of license, and the number of her last license painted on her bow or stern as aforesaid, shall incur a penalty of 20 dollars.

35. Every officer of Customs authorized by this part of this Act to license ships and vessels shall on or before the twentieth of January in each year, make and forward to the Minister a return, in such form and containing such particulars as the Minister may from time to time direct, of all ships and vessels licensed by him during the year ending on the thirty-first day of December then last.

PART III.—*Security for Advances on Ships in course of Construction.*

36. A ship about to be built, or being built, may be recorded under a temporary name by the Registrar of Shipping at or nearest to the port at which she is about to be built, or is being built; and any builder desirous of raising money by a mortgage on any ship about to be built, or being built, shall furnish to the Registrar of Shipping, at the port at or nearest to which she is about to be built, or is being built, a full description of such ship, and a statement of the port at which she is intended to be registered, according to the form (A) in the third Schedule to this Act, and shall indicate the ship to be built, or being built, by painting on a board, near the place of such building in his ship yard, on a dark ground, in white or yellow figures and letters of a length not less than four inches, the number given him by the proper Registrar of Shipping for that purpose, the temporary name of the ship, and the name of the port at which she is intended to be registered.

37. A ship about to be built, or being built, and so recorded as aforesaid, may be made security for a loan or other valuable consideration; and the instrument creating such security, hereinafter termed a "mortgage," shall be in the form marked (B) in the third Schedule hereto, or as near thereto as circumstances permit; and on the production of such instrument the Registrar of Shipping at the port at which the ship is recorded shall enter the same in a record book, to be kept by him for that purpose.

38. Every such mortgage shall be recorded by the proper Registrar of Shipping in the order of time in which the same is produced to him for that purpose; and such Registrar of Shipping shall, by memorandum under his hand, notify on the instrument of mortgage that the same has been recorded by him, stating the date and hour of such record.

39. Whenever any recorded mortgage has been discharged, the proper Registrar of Shipping shall, upon the production of the mortgage deed, with a receipt for the mortgage money indorsed thereon, duly signed and attested, make an entry in the record book to the effect that such mortgage has been discharged; and upon such entry being made, the estate (if any) which passed to the mortgagee shall vest in the said person or persons in whom the same would, having regard to intervening acts and circumstances (if any), have vested if no such mortgage had ever been made.

40. If there is more than one mortgage recorded of the same ship, the mortgagees shall, notwithstanding any express, implied, or constructive notice, be entitled in priority one over the other according to the date at which each instrument is recorded in the record book, and not according to the date of each instrument itself.

41. A mortgagee shall not, by reason of his mortgage, be deemed to be the owner of a ship, nor shall the mortgagor be deemed to have ceased to be owner of such mortgaged ship, except in so far as may be necessary for making such ship available as security for the mortgage debt.

42. Every recorded mortgagee shall have power absolutely to dispose of the ship in respect of which he is recorded as such, and to give effectual receipts for the purchase money; but if there are more persons than one recorded as mortgagees of the same ship, no second or subsequent mortgagee shall, except under the order of some court capable of taking cognizance of such matters, sell such ship without the concurrence of every prior mortgagee; and every bill of sale, when duly executed, shall be produced to the proper Registrar of Shipping, who shall enter the particulars thereof in the record book, and shall indorse on the bill of sale the fact of such entry having been made, with the date and hour thereof; and all bills of sale shall be entered in the record book in the order of their production to the Registrar of Shipping.

43. No recorded mortgage of any ship under this Act shall be affected by the mortgagor becoming insolvent after the date of the record of such mortgage, notwithstanding such mortgagor, at the time of his becoming insolvent, may have such ship in his possession and disposition, and be reputed owner of such ship; and such mortgage shall be preferred to any right, claim, or interest in such ship which may belong to the assignee of such insolvent.

44. A recorded mortgage of any ship may be transferred to any person; and the instrument creating such transfer shall be in the form marked (C) in the third Schedule hereto; and on the production of such instrument the Registrar of Shipping shall enter in the record book the name of the transferee as mortgagee of the ship therein mentioned, and shall, by memorandum under his hand, record on the instrument of transfer that the same has been recorded by him, stating the date and hour of such record.

45. If the interest of any mortgagee in any ship recorded under this Act becomes transmitted, in consequence of death or insolvency, or in consequence of the marriage of any female mortgagee, or by any lawful means other than by a transfer according to the provisions of this Act, such transmission shall be authenticated by a declaration of the person to whom such interest has been transmitted, made in the form marked (D) in the third Schedule hereto, and containing a statement describing the manner in which and the party to whom such property has been transmitted; and such declaration shall be made and subscribed in the presence of the Registrar of Shipping at the port at which such ship has been recorded under this Act, if the declarant resides at or within five miles of the Custom-house of the port; but if beyond that distance, in the presence of any Registrar of Shipping, Collector of Customs, or Justice of the Peace, and shall be accompanied by such evidence as is hereinbefore required to authenticate a corresponding transmission from one recorded mortgagee to another.

46. The Registrar of Shipping, upon the receipt of such declaration, and the production of such evidence as aforesaid, shall enter the name of the person or persons entitled under such transmission in the record book as mortgagee or mortgagees of the ship in respect of which such transmission has taken place.

47. Whenever the building of a ship which has been recorded under this Act shall be duly completed, the first mortgagee whose claim is unsatisfied may furnish the builder's certificate for such ship, and thereupon the proper officer may grant a certificate of registry under the laws in force in Canada for that purpose; and all undischarged mortgages recorded under this Act shall be by the proper Registrar of Shipping transferred to and registered under such laws in the register book, in the order and according to the priority in which the same were entered of record under this Act; and the temporary name used for the purposes of this Act, as above provided for, may be changed at the time of granting a certificate of registry: and the registry of all such mortgages shall thus appear, according to their priority in the record book, as if the same had been made or granted under the laws providing for the giving of such certificate of registry; and a fresh instrument of mortgage may be granted for that purpose, according to any form prescribed by law, as a substitute for any mortgage granted under this Act.

48. In case any person who is a party to any unsatisfied mortgage on any ship under this Act, takes out, or attempt to take out, a register for such ship, at any port other than the port named on the board in the ship yard in which such ship was built, or in the statement and description, in the form A in the third Schedule of this Act, furnished to the Registrar of Shipping by whom such ship was recorded under this Act, or in any mortgage on such ship under this Act, such person shall incur a penalty of two thousand dollars, to be recovered, with costs, by any person who may first sue for the same before any Court of competent jurisdiction, in any Province in Canada in which the offender is served with process.

49. No Surveyor of Shipping who is not also a Registrar of Shipping, shall deliver up any certificate of survey of any ship which he has surveyed for measurement to any person except the Registrar of Shipping at the port at or for which he is Surveyor, and at which such ship is recorded under this Act, until the Registrar of Shipping at such port has endorsed on the back of such certificate either a statement to the effect that there is no undischarged mortgage on such ship recorded in his office under this Act, or a statement of the amount and other particulars, and if more than one, the number of the undischarged mortgage or mortgages, if any, on such ship recorded in his office under this Act; and every Registrar of Shipping is

hereby required to endorse one of such statements, according to the facts of each case, on every certificate of measurement presented to him for that purpose by any Surveyor of Shipping.

50. In case the Registrar of Shipping at any port at which any ship is recorded under this Act is also Surveyor of Shipping at or for such port, he is hereby required to endorse on every certificate of survey of any ship which he has surveyed for measurement, before he delivers the same to any person, either a statement to the effect that there is no undischarged mortgage on such ship recorded in his office under this Act, or a statement of the amount and other particulars, and, if more than one, the number of the undischarged mortgage or mortgages, if any, on such ship, recorded in his office under this Act.

51. The Governor in Council may establish a scale of fees for recording ships and mortgages and other transactions, and for other services to be performed under this Act prior to the registry of any ship under "The Merchant Shipping Act, 1854," or any Act or Acts amending or applying to the same.

52. Nothing in this part of this Act shall take away the right of the owner to his action of account, or such other remedy as he may have by law against the advancer.

PART IV.—*Inspection and Classification of Ships.*

53. The Governor in Council may make such rules and regulations as he may consider necessary for the inspection and classification of vessels built or registered within the Dominion of Canada, and may from time to time alter and amend the same, and may from time to time appoint such officers as may be necessary to carry out this part of this Act, and prescribe the duties of the said officers; and the said officers shall be under the control of the Minister of Marine and Fisheries.

54. The Governor in Council shall by such rules and regulations have power to establish a Table of Fees to be paid for such inspection and classification, and from time to time to alter and amend the same, and shall have power thereby to authorize the granting of certificates of classification in such manner as may be therein prescribed.

55. All rules and regulations made under this part of this Act shall be published in the "Canada Gazette."

FIRST SCHEDULE.

FORM OF DECLARATION OF OWNER OR OWNERS FOR CHANGE OF MASTERS.

I (or We) of (residence and occupation) being registered
owner (or owners) of sixty-fourth shares of the ship
of official number tons register, hereby declare that I (or We) have
appointed A. B. master of the ship above mentioned in the place of C. D.
Declared before me this day of

SECOND SCHEDULE.

Form A.

DECLARATION.

I, the undersigned, A. B., of in declare as follows:—

I am entitled to take a license for the ship (or vessel, as the case may be) now in this port (or at this place, as the case may be), of which the following are the particulars:

ESTIMATED MEASUREMENT.

				Feet.	Tenths.			Tons.
Length		Under deck	..	..
Breadth		Closed in	..	..
Depth		Space between deck	..	..
						Poop	..	..
						Round House..	..	..

I, the undersigned (*name and residence*), ship-builder, declare that I propose to build a ship, the particulars of which are contained in the above description, in the (*here describe the place, what ship-yard, where situated, and to whom belonging*), and that I intend to launch the said ship on or about the day of 187 and to register her at the port of (Signed) the day of Dated at 187, in the presence of

Form B—(See Section 37).

MORTGAGE (TO SECURE ACCOUNT CURRENT, ETC.)

For * Port of * (Steamer or sailing).

Record No.	Where Building.	When intended to be Launched.	Port of intended Registry.
Intended to Measure.		Intended Tonnage and Temporary Name.	
Length,	feet	Tonnage,	
Breadth,	feet	Name,	
Depth,	feet		

Whereas (*state that there is an account current between Mortgagor and Mortgagee (describing both), and describe the nature of the transaction so as to show how the amount of principal and interest due at any given time is to be ascertained, and the manner and time of payment*).

Now (*I or we*), the undersigned, (*describe them*) in consideration of the premises for (*myself or ourselves*) and (*my or our*) heirs, covenant with the said (*name him or them*) and (*his or their*) assigns, to pay to him or them the sums for the time being due on this security, whether by way of principal or interest, at the times and in the manner above mentioned, and for better securing to the said (*name*) the payment of such sums as last aforesaid, (*I or we*) do hereby mortgage to the said (*name*) the ship above described.

Lastly, (*I or we*) for (*myself or ourselves*), and (*my or our*) heirs, covenant with the said (*name of him or them*) and (*his or their*) assigns that (*I or we*) have power to mortgage in manner aforesaid the above-mentioned ship, and that the same is free from incumbrances, *save as appear by the record of the said ship*.

N.B.—*The last words to be omitted if the ship is free from incumbrances.*

In witness whereof (*I or we*) have hereto subscribed (*my or our*) name, and affixed (*my or our*) seal, at this day of 18 Executed by the above named in the presence of

Form C—(See Section 44).

N.B.—*In case of transfer it may be made by indorsement in the following form :*

TRANSFER OF MORTGAGE.

(a) "I" or (a) the within mentioned in consideration of "We" this day paid to (b) by (b) "Me" or hereby transfer to (c) the benefit of the within-written "Us" security. (c) "Him" or In witness whereof (d) have hereunto subscribed (e) name, and affixed (e) seal, this "Them" day of 18 (d) "I" or Executed by the above-named in the "We" presence of (e) "My" or "Our"

N.B.—In case a mortgage is paid off, the following memorandum of its discharge may be used :—

Received the sum of _____ in discharge of the within-written security.
Dated at _____ this _____ day of _____ 187
Witness _____ of _____

Form D—(See Section 45).

Declaration by representative of _____ taking by Transmission.*
For _____ †

* (Or decease, or marriage, or bankruptcy).
† (Steamer or for sailing).

Record No.	Date of Record	187

Temporary name of ship _____
Where building _____
Proposed measurement, length _____ ft., breadth _____ ft., depth _____ ft.
Proposed tonnage, _____ tons.
I (or we), the undersigned (*declarant's name, description and place of birth*), declare as follows,
I am (or we are) _____
I (or we) declare that the person appearing by the record book to be the (*owner or mortgagee*) of
the ship above described (*cause of transmission*) in the county of (*county*) on the _____ day of
_____, (*nature of cause of transmission*).
Made and subscribed the _____ day of _____ 18 _____ by the above named
_____ in the presence of _____

No. 2.

The Earl of Dufferin to the Earl of Kimberley.—(Received June 18.)

My Lord, _____ Government House, Ottawa, June 5, 1873.
REFERRING to my despatch of May 15th, and to previous correspon-
dence on the same subject, I have the honour to transmit herewith a certified
copy of an Act of the Dominion Legislature, entitled “An Act respecting Deck
Loads.”

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 2.

An Act respecting Deck Loads.

HER Majesty, by and with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows :—

1. In this Act the word “ship” includes every description of vessel used in
navigation not propelled by oars; and the word “master” includes any person
having command or charge of a ship.

2. Every ship shall be subject to the provisions of this Act,—

(1.) When sailing after the first day of October or before the sixteenth day of
March in any year, on a voyage from any port in Canada to any port in Europe,
and during the voyage while within Canadian jurisdiction; and

(2.) No master of any such ship shall place, or cause or permit to be placed or
remain, upon or above any part of the upper deck of such ship, not included within
the limits of any break or poop, or any other permanently closed-in space thereon
and available for cargo, the tonnage of which forms part of the register tonnage of
such ship,—

(a.) Any square, round, waney or other timber :

(b.) Any more than five spare spars, or store spars made, dressed and finally prepared for use, or not so dressed and prepared.

(c.) Any cargo of any description, to any height exceeding three feet above the deck:

3. Every ship shall be subject to the provisions of this Act,—

(1.) When sailing after the fifteenth day of November, or before the sixteenth day of March in any year, on a voyage from any port in Canada, to any port in the West Indies, and during the voyage while within Canadian jurisdiction; and

(2.) No master of any such ship, if she be a single decked vessel, shall place or cause or permit any cargo whatever to be placed or remain upon or above the deck to a height exceeding by more than six inches that of the main rail, nor in any case greater than four feet six inches above the deck,—nor if she has a spar deck shall he place or cause or permit to be placed or remain, any cargo on or above any part of such spar deck; except that this provision shall not be understood to prevent such master from carrying two spare spars or store spars, made, dressed and finally prepared for use, on the deck or on the spar deck of such vessel.

4. Provided always, that if the master of any ship subject to the provisions of this Act, under the second section thereof, considers that it is necessary, in consequence of the springing of a leak, or of other damage received or apprehended during the voyage, to remove any portion of the cargo thereof, and to place upon any part of the upper deck thereof, not included as mentioned in the said second section, any other or greater portion of such cargo than is by the said second section permitted to be placed upon such part of the upper deck of such ship,—or if the master of any ship subject to the provisions of this Act, under the third section thereof, considers that it is necessary from any such cause as aforesaid, to remove any part of the cargo, and to place it on the deck or on the spar deck of such vessel (as the case may be) he may remove or cause to be removed to, and placed upon such part of the upper deck or on the deck or spar deck of such ship, so much of the cargo thereof, and may permit the same to remain there for such time as he considers expedient.

5. Before any officer of the Customs permits any ship, subject to the provisions of the second section of this Act, to clear out from any port in Canada, he shall ascertain that no square, round, waney or other timber, nor more than five spare spars, or store spars, nor any cargo of any description, to any height exceeding three feet above the deck, is, or are piled, or stored, or placed upon any part of the upper deck of such ship, not included within the limits of any break or poop, or any other permanently closed-in space thereon, available for cargo and the tonnage of which forms part of the register tonnage of such ship, and shall give the master of such ship a certificate to that effect.

6. Before any officer of the Customs permits any ship subject to the provisions of this Act, under the third section thereof, to clear out from any port in Canada, he shall ascertain that no provision of the said third section is contravened in respect of such ship and the cargo thereof, and shall give the master of such ship a certificate to that effect.

7. No master of any ship shall sail in such ship, when subject to the provisions of this Act, from any port in Canada, until he has obtained the certificate required in the case of such ships from the proper officer of the Customs.

8. Every master of a ship subject to the provisions of this Act, who contravenes any provision of this Act, shall for each such contravention incur a penalty not exceeding, except as hereinafter provided, eight hundred dollars.

9. Every master of a ship, subject to the provisions of this Act, who after having complied with the provisions of this Act, requiring him to obtain a certificate as aforesaid from the proper officer of the Customs, contravenes any other provision of this Act, shall incur a penalty not exceeding 800 dollars.

10. Whosoever, being the master of any ship, with intent to evade any provision of this Act, sails in such ship after the 1st day of October, or before the 16th day of March in any year from any port in Canada to any port in Europe without such certificate as last aforesaid, and with any cargo on any part of the upper deck of such ship, not included within the limits of any break or poop, or any other closed-in space thereon available for cargo, and the tonnage of which forms part of the register tonnage of such ship, or sails in such ship after the 15th day of November, or before the 16th day of March in any year, from any port in Canada to any port

in the West Indies, with any cargo upon the deck, or on the spar deck of such ship (as the case may be) which would prevent his rightfully obtaining such certificate, is guilty of a misdemeanor, and shall be liable to be punished by imprisonment for any term not exceeding two years and not less than three months, or by fine not exceeding 800 dollars, or by both fine and imprisonment in the discretion of the Court before which he is convicted.

11. Any ship in respect of which any penalty is incurred under, this Act, may be seized and detained by order of the Court by or before which such penalty is imposed or recovered until such penalty be paid, or security given for the payment thereof, and unless payment be made or satisfactory security be given within thirty days, such ship may, at the expiration thereof, be sold by order of the Court, and the said penalty and all the costs paid out of the proceeds, the surplus (if any) being paid over to the owner of the ship.

12. The whole of every pecuniary penalty recovered under this Act shall belong to Her Majesty, and shall be paid over to the Receiver-General by the officer or person receiving the same, and shall be thereafter appropriated in such manner as the Governor in Council may direct in each case.

13. This Act shall not apply to any vessel sailing from British Columbia.

No. 3.

The Earl of Kimberley to the Earl of Dufferin.

My Lord,

Downing Street, July 7, 1873.

I HAVE the honour to inform you that Her Majesty will not be advised to exercise her power of disallowance with respect to the Act of the Legislature of Canada, entitled "An Act respecting Deck Loads," a transcript of which accompanied your despatch No. 141 of the 5th of June last.

I have, &c.
(Signed) KIMBERLEY.



CORRESPONDENCE respecting Deck Loads Act.



*Presented to both Houses of Parliament by
Command of Her Majesty. July 1873.*

LONDON:

PRINTED BY HARRISON AND SONS.

FURTHER CORRESPONDENCE

WITH THE

GOVERNMENT OF CANADA

IN CONNECTION WITH THE

TREATY OF WASHINGTON.

(In continuation of Paper presented May 1872.)



Presented to both Houses of Parliament by Command of Her Majesty,
March 1873.

LONDON:
PRINTED BY HARRISON AND SONS.

[C.—702.] *Price 2d.*

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Further Correspondence with the Government of Canada in connection with the Treaty of Washington.

No. 1.

Lord Lisgar to the Earl of Kimberley.--(Received May 24.)

My Lord,

Government House, Ottawa, May 9, 1872.

I HAVE the honour to forward herewith copy of a Bill "To carry into effect the Provisions of the Treaty between the United States and Great Britain signed in the city of Washington the 8th May, 1871."

2. Sir John Macdonald introduced the Bill in the Canadian House of Commons on the 3rd instant, and I beg to inclose a corrected copy of his speech* on the occasion.

I have, &c.
(Signed) LISGAR.

Inclosure in No. 1.

[No. 86, 1872.]

An Act relating to the Treaty of Washington, 1871.

WHEREAS by Article thirty-three of the Treaty between Her Majesty and the United States of America, signed at the city of Washington on the 8th day of May, 1871, it is provided that Articles eighteen to twenty-five inclusive, relating to the fisheries, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward Island, on the one hand, and by the Congress of the United States on the other, and that such assent having been given, the said Articles shall remain in force for the term of years mentioned in the said Article thirty-three; and whereas it is expedient that the laws required to carry the said Treaty into effect as respects Canada should be passed by the Parliament of the Dominion: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The Act of the Parliament of Canada passed in the thirty-first year of Her Majesty's reign, chapter 61, intituled "An Act respecting Fishing by Foreign Vessels," and the Act of the said Parliament passed in the thirty-third year of Her Majesty's reign, chapter 15, intituled "An Act to amend the Act respecting Fishing by Foreign Vessels,"—and the Act of the said Parliament passed in the thirty-fourth year of Her Majesty's reign, chapter 23, intituled "An Act further to amend the Act respecting Fishing by Foreign Vessels,"—and the 94th chapter of the Revised Statutes of Nova Scotia (third series) intituled "Of Coast and Deep Sea Fisheries,"—and the Act of the Legislature of Nova Scotia, passed in the twenty-ninth year of Her Majesty's reign, chapter 35, amending the same; and the Act of the Legislature of New Brunswick passed in the sixteenth year of Her Majesty's reign, chapter 69, intituled "An Act relating to the Coast Fisheries, and for the Preventing of Illicit Trade," so far as the said Acts of the Legislatures of Nova Scotia and New Brunswick, respectively, apply to any case to which the said Acts of the Parliament of Canada apply, shall be, and are hereby suspended as respects vessels and

Certain Acts' suspended as regards United States' vessels and citizens engaged in taking fish (except shell-fish) on coasts of Quebec, Nova Scotia, and New Brunswick.

* Not printed.

inhabitants of the United States of America engaged in taking fish of every or any kind except shell-fish, on the sea-coasts and shores, and in the bays, harbours, and creeks of the Provinces of Quebec, Nova Scotia, and New Brunswick, as shall also all Acts, laws, or regulations (if any) over which the Parliament of Canada has control, which would in any wise prevent or impede the full effect of the said Article 18.

Fish and fish oil from United States' fisheries to be free.

2. Fish oil and fish of all kinds (except fish of the inland lakes and of the rivers falling into them, and except fish preserved in oil) being the produce of the fisheries of the United States, shall be admitted into Canada free of duty.

Transit of goods through Canada in bond.

3. Goods, wares, and merchandize arriving at any of the ports of Canada, and destined for the United States of America, may be entered at the proper Custom-house, and conveyed in transit, without the payment of duties, through Canada, under such rules, regulations, and conditions for the protection of the revenue, as the Governor in Council may from time to time prescribe; and under like rules, regulations, and conditions, goods, wares, and merchandize, may be conveyed in transit without payment of duties, from the United States through Canada, to other places in the United States or for export from ports in Canada.

Carriage of goods in United States' vessels from one part of Canada to another, conditionally.

4. Citizens of the United States may carry in United States' vessels, without payment of duty, goods, wares, and merchandize from one port or place in Canada to another port or place in Canada, provided that a portion of such transportation is made through the territory of the United States by land carriage, and in bond, under such rules and regulations as may be agreed upon between the Government of Her Majesty and the Government of the United States.

Act, when to come into force.

5. The foregoing sections of this Act shall come into force upon, from, and after a day to be appointed for that purpose by a proclamation based upon an order of the Governor in Council, and shall remain in force during the term of years mentioned in Article thirty-three of the said Treaty.

No. 2.

Lord Lisgar to the Earl of Kimberley.—(Received June 6.)

My Lord,

Government House, Ottawa, May 20, 1872.

I HAVE the honour to inform your Lordship that the second reading of the Bill "To carry into effect the Provisions of the Treaty between the United States and Great Britain, signed in the City of Washington on the 8th May, 1871," was carried in the Dominion House of Commons, on the 16th instant, after a division, by a majority of 66, the numbers being 121 yeas to 55 nays.

2. The debate was long and earnest, extending over several consecutive nights. The line generally taken by the supporters of the Bill was, that though the Treaty did not realise their expectations, and entailed a considerable sacrifice of Canadian interests, still it was wise to accept it as a means of establishing friendly relations with the United States, and especially because Imperial interests of great magnitude were involved, and because it would be ungracious and undutiful in a matter of such importance to oppose the wishes of the mother country.

The Opposition, on the other hand, contended that better terms might and ought to have been obtained; that though willing to make any reasonable sacrifice in the interests of the Empire, they anticipated no evil result from a firm maintenance of the undoubted rights of Canada, and they took special objection to the course which the Dominion Government had taken with regard to the Imperial guarantee of the loan in compensation for the abandonment of the claims in respect of the Fenian Raids.

3. Mr. Blake, one of the leaders of the Opposition, and Premier of the Local Government in the Province of Ontario, moved the following amendment:—"To leave out all the words after 'that,' and insert the following:—Before proceeding further upon the said Bill, this House feels bound to declare, that while Her Majesty's loyal subjects the people of Canada will at all times cheerfully make any reasonable sacrifice in the interests of the Empire, we have just ground for the great dissatisfaction prevailing throughout the country at the mode in which our rights

have been dealt with in the negotiations resulting in the Treaty of Washington, and at the subsequent proposal of our Government that England should endorse a Canadian Loan as a price for our adoption of the Treaty and for our abandonment of the claims in respect of the Fenian Raids, which affect not merely our purse, but also our honour and our peace."

Subsequently at a time when the latest telegrams in the public press from London and Washington gave little hopes of a successful issue of the difficulties which have arisen as to the claims for consequential damages, Mr. Bodwell, a member of the opposition which Messrs. Blake and MacKenzie lead, moved in amendment on Mr. Blake's amendment that "having regard to the existing difficulties between the United States and Great Britain concerning the proceedings necessary to give effect to the Treaty of Washington, it is inexpedient to proceed further at this time upon the said Bill."

The Government opposed both amendments, defeating Mr. Bodwell by a majority of 75, and Mr. Blake by a majority of 72.

Immediately afterwards the division on the second reading of the Bill took place, which, as I have already said, was carried by a majority of 121 to 55.

4. I append an analysis of these divisions showing the numbers on either side in each of the six Provinces of the Dominion :—

ON MR. BODWELL'S AMENDMENT.

				Yeas.		Nays.		Government Majority.
Ontario	..	..	..	32	..	45	..	13
Quebec	..	..	..	13	..	48	..	35
Nova Scotia	..	..	..	2	..	13	..	11
New Brunswick	..	..	..	3	..	10	..	7
Manitoba	..	..	..	..	..	3	..	3
British Columbia	..	..	..	..	..	6	..	6
				50		125		75

ON MR. BLAKE'S AMENDMENT.

				Yeas.		Nays.		Government Majority.
Ontario	..	..	..	31	..	47	..	16
Quebec	..	..	..	15	..	47	..	32
Nova Scotia	..	..	..	3	..	12	..	9
New Brunswick	..	..	..	3	..	10	..	7
Manitoba	..	..	..	..	..	3	..	3
British Columbia	..	..	..	..	..	6	..	6
				52		125		73

SIR JOHN MACDONALD'S MOTION.

				Yeas.		Nays.		Government Majority.
Ontario	..	..	..	44	..	34	..	10
Quebec	..	..	..	45	..	16	..	29
Nova Scotia	..	..	..	13	..	2	..	11
New Brunswick	..	..	..	10	..	3	..	7
Manitoba	..	..	..	3	..	..	..	3
British Columbia	..	..	..	6	..	..	..	6
				121		55		66

Your Lordship will observe that the Government had a majority in every Province, and that on the division for the second reading of the Bill the three Provinces which are most directly interested in the fisheries, Quebec, New Brunswick, and Nova Scotia, taken together, gave 68 votes for the Bill to 21 against it. The Provinces of British Columbia and Manitoba voted *en bloc* for the Bill. On the other hand in the important Province of Ontario which is far removed from the ocean, the Government majority was only 10, the numbers being 44 to 34.

5. In conclusion I may add that the Ministers have informed me that they do not anticipate any further opposition to the Bill, but that it will soon pass through the remaining stages.

I have, &c,
(Signed) LISGAR.

No. 3.

The Earl of Kimberley to Lord Lisgar.

My Lord,

Downing Street, June 13, 1872.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch of the 20th of May,* respecting the second reading in the Canadian House of Commons of the Bill "to carry into effect the provisions of the Treaty between the United States and Great Britain, signed in the City of Washington on the 8th of May, 1871."

Her Majesty's Government have learned with much satisfaction the particulars given in your despatch of the manner in which this Bill was received and dealt with in the House of Commons of the Dominion.

I have, &c.
(Signed) KIMBERLEY.

No. 4.

Lord Lisgar to the Earl of Kimberley.—(Received June 12.)

My Lord,

Government House, Ottawa, May 30, 1872.

I HAVE the honour to inform your Lordship that the Bill "to carry into effect the provisions of the Treaty between the United States and Great Britain, signed in the City of Washington on the 8th May, 1871," has passed through all its stages in the Senate of the Dominion, and now awaits the Royal Assent.

2. The report of the debate in the Senate has not yet been published in the local papers, but I am informed that it was marked by great moderation of tone, and that no amendment was moved or division called for at any stage of the proceedings.

3. I am sure that your Lordship will receive with satisfaction the announcement of the final close, by parliamentary action, of the anxieties which have prevailed during the last twelve months, and of the happy settlement of a question on which so many important interests, both Imperial and Canadian, were dependent.

I hope to give the Royal Assent to the Bill before I leave Canada, and I will add that I am well-pleased to think that this should be my last public act in Her Majesty's Colonial Service.

I have, &c.
(Signed) LISGAR.

No. 5.

The Earl of Kimberley to Lord Lisgar.

My Lord,

Downing Street, June 20, 1872.

I HAVE to acknowledge the receipt of your despatch of the 30th of May, reporting the passing by the Dominion Legislature of the Bill "to carry into effect the provisions of the Treaty between Great Britain and the United States signed in the city of Washington on the 8th of May, 1871."

Her Majesty's Government desire to express their high sense of the prompt and able manner in which this measure has been brought forward by the Canadian Government, and they have observed with great satisfaction the marked cordiality towards this country, and attachment to the Crown which have been manifested in the discussions which have taken place in the Legislature on this subject.

I have at the same time to convey to your Lordship Her Majesty's entire approval of the ability and judgment with which you have thus brought to a close your successful administration of the important Government which has been intrusted to you.

I have, &c.
(Signed) KIMBERLEY.

* No. 2.

The Earl of Dufferin to the Earl of Kimberley.—(Received October 2.)

My Lord,

Citadel, Quebec, September 20, 1872.

WITH reference to previous correspondence which has taken place before my arrival in this country on the subject of an Imperial guarantee for a Canadian loan for the construction of a railway to the Pacific Ocean, and the enlargement of the Canals of the Dominion, I have the honour to inclose a minute of the Privy Council which states that the time has arrived when it is expedient to invite the consideration of Her Majesty's Government to this question, and as Sir George E. Cartier is thoroughly conversant with the whole subject and is about to proceed to England for his health, that it is desirable he should be specially charged with submitting to your Lordship the views of the Canadian Government in the matter.

I have, &c.

(Signed) DUFFERIN.

Inclosure in No. 6.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General on the 17th September, 1872.

THE Committee have had under consideration a memorandum dated 14th September, 1872, from the Honourable the Minister of Finance, reporting that, in his opinion, the time has arrived when it is expedient to invite the consideration of Her Majesty's Government to the correspondence which took place in connection with the Treaty of Washington on the subject of an Imperial Guarantee for a Canadian Loan for the construction of a railroad to the Pacific Ocean, and the enlargement of the Canadian canals.

The Minister submits that it is important that the Canadian Government should know as early as possible what they have to expect, and as the Minister of Militia and Defence—who is thoroughly acquainted with the past negotiations on the subject of fortifications—has been advised to proceed to England on account of his health, it seems desirable that he should be specially charged with bringing the whole subject under the consideration of Her Majesty's Government. The Minister of Finance recapitulates the facts of the case as follows:—

On reference to the Minute of the Privy Council of Canada of 20th January, 1872, it will, he states, be found that a proposal was made that a guarantee to the extent of 4,000,000*l.* should be extended to Canada.

That in the Earl of Kimberley's despatch dated 18th March, 1872, in reply, his Lordship offered a guarantee of 2,500,000*l.*, which was accepted by the Government of Canada, as will appear by reference to the Minute of Council of 15th April, 1872, transmitted in Lord Lisgar's despatch of same date.

That no reference was made in the foregoing Minutes to the subsisting guarantee of 1,100,000*l.* sterling, for fortifications in Canada, and the pledge on the part of Her Majesty's Government to be at the cost of the armaments.

That, in asking for a guarantee of 4,000,000*l.* originally, it was anticipated that the Imperial Government would object to give so large an amount, and it was contemplated that the result of the negotiations would be the transference from military objects to public works of the amount already guaranteed, with a fair equivalent for the armaments.

That, unfortunately, at the very time when the correspondence was in the course of taking place, the misunderstanding between Her Majesty's Government and that of the United States on the subject of the indirect claims occurred, and it became undesirable to raise any question regarding the abandonment of the fortifications.

That, as all these difficulties have now been happily settled, it seems most desirable to consider the expediency of abandoning, for the present, the erection of fortifications.

That, if such defensive works should hereafter be required, Canada would not shrink from the responsibility of undertaking them.

That the Imperial Parliament would hardly object to the mere transference of a loan already agreed to from military works to great public improvements, and the difference between that loan, 1,100,000*l.*, and the 1,500,000*l.* now asked to supple-

ment the 2,500,000*l.* already agreed to, being only a guarantee and not a grant, is certainly not more than an equivalent for the promised grant for armament.

That it would probably be considered both by the Imperial and by the Dominion Parliaments highly inexpedient at the present time, when cordial relations have been established with the United States, to commence military works in Canada.

He, therefore, recommends that the Minister of Militia and Defence be instructed to bring this important subject under the consideration of Her Majesty's Government, and to endeavour to obtain their consent to an increase of the Guarantee to 4,000,000*l.* on condition that the present loan of 1,100,000*l.* be abandoned, and also the undertaking to supply armaments.

The Committee concur in the foregoing Report, and advise that a copy of the present Minute be transmitted by your Excellency to the Earl of Kimberley for the consideration of Her Majesty's Government.

Certified,
(Signed) W. A. HIMSWORTH,
Clerk, Privy Council, Canada.

Approved,
(Signed) DUFFERIN.
October 10, 1872.

No. 7.

The Earl of Kimberley to the Earl of Dufferin.

My Lord,

Downing Street, December 5, 1872.

I HAVE the honour to acknowledge your Lordship's despatch of the 20th of September,* inclosing a minute of the Canadian Privy Council, proposing that the guarantee of 2,500,000*l.* which Her Majesty's Government have agreed to recommend to Parliament on the conditions stated in my despatch of the 18th of March last,† should be increased to 4,000,000*l.* on condition that the present guaranteed loan of 1,100,000*l.* for fortifications be abandoned, and also the promise on the part of Her Majesty's Government to supply armaments.

I have had the advantage of conferring with Sir George Cartier, the Minister of Militia and Defence, on this subject, and I have now to state the course which Her Majesty's Government are prepared to adopt.

Her Majesty's Government observe with satisfaction that the Privy Council declare that if such defensive works should hereafter be required, Canada would not shrink from the responsibility of undertaking them. The questions therefore which have now to be considered are, first whether Canada being desirous of postponing her share of the works which it was agreed in 1865 should be constructed, partly by the Imperial Government at Imperial expense but principally by the Dominion Government by means of a loan under Imperial guarantee, Her Majesty's Government are called upon to object to such postponement; and secondly whether they can properly recommend to Parliament the transfer of the guarantee of 1,100,000*l.* for fortifications to a loan for the construction of the Pacific Railroad and the improvement of the Canadian Canals. A further question remains whether this guarantee should be increased by 400,000*l.* as an equivalent for the promised supply of armaments.

Her Majesty's Government have performed their part of the works planned in 1865 by the improvement of the fortifications of Quebec, and they are not disposed to question the propriety of the Canadian Government choosing the time when they may think fit to commence the important military works which Canada undertook as her share of the projected system of defence. They fully recognize the necessity of providing safe and rapid means of communication through British territory between the older Provinces of the Dominion, and the vast region which has been brought under the control of the Canadian Government by the incorporation with the Dominion of British Columbia and the country formerly governed by the Hudson's Bay Company, and also the urgency in the interests of commerce of improving the Canadian Canals; and although they hold it a salutary rule, not to be lightly departed from, that this country should not incur contingent liabilities for expenditure which naturally falls upon that part of the Empire which is to reap the direct benefit of the outlay, they are willing, looking to the peculiar position of the

* No. 6.

† Vide Command Paper, April, 1872, page 14.

Dominion, and the heavy responsibilities recently thrown upon it, greater probably than were ever before undertaken by a Colonial Government, to make an exception in this case. They will therefore be prepared, when the time arrives for the proposal of the guarantee of the loan of 2,500,000*l.*, to insert in the Bill a clause transferring the guarantee of 1,100,000*l.* for fortifications to a loan for the same purposes as those for which the loan of 2,500,000*l.* is to be applied.

With respect to the pledge to provide armaments there appear to Her Majesty's Government to be serious objections to the substitution for this pledge of a new guarantee for a loan of 400,000*l.*

It is difficult to perceive any common measure between a Parliamentary guarantee for a certain sum and the obligation to provide the cost of armaments, an obligation not to arise until the works shall have been actually completed; and whilst Parliament might be willing to consent to a simple transfer of a guarantee in no way increasing the liabilities of this country, it might reasonably demur to undertaking a new guarantee in return for the abandonment of an engagement of an entirely different kind. They have, therefore, after careful consideration, thought it better not to go beyond the total sum of 3,600,000*l.*, to which the guarantee already given and that which they have agreed to propose together amount.

I have only to add that it must be distinctly understood that Her Majesty's Government take upon themselves no responsibility for the success of the Pacific Railroad, nor of any other works which the Canadian Government may construct with the proceeds of the loans in question.

I have, &c.
(Signed) KIMBERLEY.

No. 8.

The Earl of Dufferin to the Earl of Kimberley.—(Received March 4.)

My Lord,

Government House, Ottawa, February 17, 1873.

I HAVE the honour to inclose, for submission to your Lordship, copy of an approved Minute of the Privy Council in reference to your Lordship's despatch of the 5th December last, in which my Government express their satisfaction with the arrangements which have been sanctioned by Her Majesty's Government in respect of the increase of the guarantee of 2,500,000*l.* sterling, to 3,600,000*l.*, on condition that the present guaranteed loan of 1,100,000*l.* for fortifications be abandoned.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 8.

Report of the Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General on the 17th February, 1873.

THE Committee of Council have had under consideration the despatch from the Right Honourable Her Majesty's Secretary of State for the Colonies of the 5th of December last, in answer to your Excellency's despatch transmitting the Minute in Council which proposed that the guarantee of 2,500,000*l.* sterling, which Her Majesty's Government had agreed to recommend to Parliament on the conditions stated in Lord Kimberley's despatch to the Governor-General of the 18th March last, should be increased to 4,000,000*l.* sterling, provided that the present guaranteed loan of 1,100,000*l.* for fortifications be abandoned, as well as the promise on the part of Her Majesty's Government to supply armaments therefor.

The Committee of Council desire to express their satisfaction with the decision of Her Majesty's Government in assenting to the transfer of the guarantee of the loan for fortifications to the objects to which the loan of 2,500,000*l.* is to be appropriated.

It would have afforded additional financial relief to the Government of the Dominion, though possibly of a temporary character, had Her Majesty's Government felt themselves justified in assenting to the transfer of the armament engagement to

the same objects, and thus increasing the Imperial guarantee as proposed in the Minute in Council of the 17th of September, 1872, to 4,000,000*l.* sterling.

The Committee of Council, however, recognize the objections that might possibly be taken in Parliament to the substitution of a guarantee of 4,000,000*l.* sterling for the pledge to supply armaments for fortifications, and not wishing to embarrass Her Majesty's Government with any difficulty of that nature, they respectfully advise that the change of the engagement referred to be not further urged, but that the proposal of Her Majesty's Government to insert in the proposed Bill a clause transferring the guarantee of 1,100,000*l.* sterling, for fortifications to a loan for the same purposes as those to which the loan of 2,500,000*l.* is to be applied, be accepted, with the understanding expressed in Lord Kimberley's despatch that Her Majesty's Government take upon themselves no responsibility for the success of the Pacific Railway nor of any other works which the Government of the Dominion may construct with the proceeds of the loan in question.

(Certified.)

(Signed)

W. A. HIMSWORTH,

Clerk of the Privy Council, Canada.

FURTHER CORRESPONDENCE with the
Government of Canada in connection
with the Appointment of the Joint
High Commission and the Treaty of
Washington.

(In continuation of Paper presented May 1872.)

*Presented to both Houses of Parliament by Com-
mand of Her Majesty. March 1873.*

FURTHER CORRESPONDENCE

WITH THE

GOVERNMENTS OF CANADA, PRINCE EDWARD ISLAND,
AND NEWFOUNDLAND,

RESPECTING THE

TREATY OF WASHINGTON

AND

CANADIAN PACIFIC RAILWAY.

In Continuation of Papers presented March, 1873 [C.—702]

Presented to both Houses of Parliament by Command of Her Majesty,
1st MAY, 1873.



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(iii)

SCHEDULE.

CANADA.

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SCHEDULE.

Number in Series.	From whom.	Date.	SUBJECT.	Page.
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FURTHER CORRESPONDENCE

WITH THE

GOVERNMENTS OF CANADA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND,

RESPECTING THE

TREATY OF WASHINGTON.

CANADA.

No. 1.

The EARL OF DUFFERIN to the EARL OF KIMBERLEY.—(Received March 3, 1873.)

MY LORD,

Ottawa, 13th February, 1873.

I have the honour to enclose six printed copies of the Charter passed under the Great Seal of the Dominion of Canada on the 5th instant, incorporating "The Canadian Pacific Railway Company."

I have, &c.,

DUFFERIN.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

Inclosure in No. 1.

VICTORIA, by the GRACE of GOD, of the UNITED KINGDOM of GREAT BRITAIN and IRELAND, QUEEN, DEFENDER of the FAITH, &c., &c., &c.

To all to whom these presents shall come

GREETING :

WHEREAS, by an Act of the Parliament of Canada, passed in the thirty-fifth year of Our Reign, entitled "An Act respecting the Canadian Pacific Railway," it is provided, upon the considerations therein declared, that a railway, to be called "The Canadian Pacific Railway," should be made, in conformity with the agreement referred to in the preamble to the said Act, and should extend from some point on or near Lake Nipissing and on the south shore thereof, to some point on the shore of the Pacific Ocean; both the said points to be determined by the Governor in Council, and the course and line of the said railway between the said points to be subject to the approval of the Governor in Council :

2 FURTHER CORRESPONDENCE WITH THE GOVERNMENTS OF

AND WHEREAS, it is, by the said Act, further provided, that the Government of Canada might further agree with the Company with whom they shall have agreed for the construction and working of the said railway, for the construction and working of a branch line of railway, from some point on the railway first thereinbefore mentioned, to some point on Lake Superior in British Territory, and for the construction and working of another branch line of railway from some point on the railway first mentioned, in the Province of Manitoba, to some point on the line between that Province and the United States of America, the said points to be determined by the Governor in Council; and that such branch lines of railway should, when so agreed for, be held to form part of the railway first thereinbefore mentioned, and portions of *The Canadian Pacific Railway* :

AND WHEREAS, amongst other things, it is by the said Act in effect provided, that if there should be no company either incorporated originally for the construction of the whole line of railway, or formed out of two or more companies for that purpose, or if the Government could not agree, or did not deem it advisable to agree, with any such company for the construction and working of the whole line of railway under the said Act, or if the Government should be of opinion that it would be more advantageous for the Dominion, and would better ensure the attainment of the purposes of the said Act, that a company should be incorporated by Charter as therein provided, then if there should be persons able and willing to form such Company, and having a subscribed capital of at least ten million dollars, secured to the satisfaction of the Governor in Council, and ready to enter into such agreement with the Government for the construction and running of the said railway, the Governor should have power, upon the conditions in the said Act mentioned, to grant to such persons, and those who should be associated with them in the undertaking, a Charter embodying the agreement made with such persons which should be binding on the Company and so much of the said Act, and of the railway Act (as such railway Act was modified by any Act of the now last Session, with reference to any railway to be constructed under such Act on any of the lines or between any of the points mentioned in the said Act now in recital) as should be agreed upon between the Government and such Company: and that such charter being published in the *Canada Gazette*, with any order or orders in Council relating to it, should, in so far as it is not inconsistent with the said recited Act, have force and effect as if it were an Act of the Parliament of Canada :

AND WHEREAS, the Government has failed to induce the two Companies incorporated by Parliament during its last Session for the purpose of constructing the railway, to form one Company, and does not deem it advisable to agree with either of the said two Companies for the construction of the railway, and is of opinion that it will be more advantageous for the Dominion, and will better ensure the attainment of the purposes of the Act first above mentioned, that a company shall be incorporated by charter as in such Act provided :

AND WHEREAS, Sir Hugh Allan, of the city of Montreal, Knight; The Honourable Adams George Archibald, of the city of Halifax, C.M.G., a member of the Queen's Privy Council for Canada; The Honourable Joseph Octave Beaubien, of Montmagny, Commissioner of Crown Lands in the Province of Quebec; Jean Baptiste Beaudry, of the city of Montreal, Esquire; Egerton Ryerson Burpee, of the city of Saint John, Esquire; Frederic William Cumberland, of the city of Toronto, Esquire; Sandford Fleming, of the city of Ottawa, Esquire; Robert Newton Hall, of the town of Sherbrooke, Esquire; The Honourable John Sebastian Helmcken, of the city of Victoria; Andrew McDermot, of the town of Winnipeg, Esquire; Donald McInnes, of the city of Hamilton, Esquire; Walter Shanly, at present of the town of North Adams, in the United States of America, Esquire; and John Walker, of the city of London, in the Province of Ontario, Esquire, have shown themselves to be able and willing to form such Company for the construction and working of the railway and branches; and have subscribed a capital sum of ten million dollars, secured to the satisfaction of the Governor in Council, and have so subscribed the same in the proportions following, that is to say : \$3,846,000, or nearly five-thirteenths, in the Province of Ontario; \$3,076,800, or nearly four-thirteenths, in the Province of Quebec; and \$769,300, or upwards of one-thirteenth, in each of the Provinces of Nova Scotia, New Brunswick, Manitoba and British Columbia, respectively; and are ready to enter into an agreement with the Government for the construction and working of the railway and branches; and the Government has agreed with the said persons for the construction and working of the railway and branches :

AND WHEREAS, the agreement so made and entered into between the said persons and the Government, is embodied in this Our Royal Charter :

NOW THEREFORE KNOW YE, that We of Our special grace, certain knowledge and mere

motion, and in pursuance of the power vested in Us by the Act hereinbefore in part recited, do ORDAIN, GRANT AND DECLARE that the said Sir Hugh Allan; Honourable Adams George Archibald; Honourable Joseph Octave Beaubien; Jean Baptiste Beaudry, Esquire; Egerton Ryerson Burpee, Esquire; Frederick William Cumberland, Esquire; Sandford Fleming, Esquire; Robert Newton Hall, Esquire; Honourable John Sebastian Helmcken; Andrew McDermot, Esquire; Donald McInnes, Esquire; Walter Shanly, Esquire; and John Walker, Esquire; together with all such persons as shall become associated with them in the undertaking, for the purposes herein mentioned, shall be and are hereby constituted a body corporate and politic by the name, style and title of "The Canadian Pacific Railway Company," and by that name, they and their successors shall and may have continued succession; and be capable of contracting and being contracted with, of suing and being sued, pleading and being impleaded, answering and being answered unto in all courts and places whatsoever, in all manner of actions, suits, complaints, matters and causes whatsoever. And that they and their successors may and shall have a common seal, and may change and alter the same at their will and pleasure; and also that they and their successors, by the name of "The Canadian Pacific Railway Company," shall be in law capable of taking, purchasing, and holding to them and their successors, any estate, real, personal, or mixed, to and for the use of the Company, and of selling, conveying, leasing or otherwise departing therewith, for the benefit and on the account of the Company, from time to time, as they shall deem expedient or necessary, subject to the provisions, restrictions and limitations hereinafter contained.

STOCK.

2. AND WE DO FURTHER ORDAIN AND DECLARE that the capital stock of the Company shall be ten million dollars, which shall not be increased but by Act of Parliament (such capital stock having been already subscribed as aforesaid), to be held in shares of one hundred dollars each, which shall in all respects be deemed personal property, and ten per centum thereon shall be paid into the hands of the Receiver-General of Canada, in money or Canadian Government securities, within one month after the date of these presents, to remain in his hands until otherwise ordered by Parliament. And the interest received by the Receiver-General from the investment of such money and from such securities shall be paid to the Company as received, until he shall be authorized by the Government to withhold and retain the same by reason of some default incurred by the Company in the performance of the conditions of this Charter, or of any subsequent agreement between the Government and the Company.

3. That the shares of the said capital stock shall, after the first deposit thereon has been paid, be transferable; but no transfer made within six years from the date hereof shall be valid or effectual, unless it be made with the consent of the Government, and of the Directors, and registered in the books to be kept by the Company for that purpose; nor after six years, unless it be made with the consent of the Directors, and registered as aforesaid. And in the event of the right of property in any of the shares in the capital stock of the Company becoming transmitted otherwise than by direct transfer, the person claiming the same shall be bound to establish such claim in the manner provided for the transmission of Bank Stock by the Act 34 Vic., cap. 71, intituled, "An Act respecting Banks and Banking." And in the event of the bankruptcy or insolvency of any holder of any shares not fully paid up, or of the sale thereof under execution, such shares shall be *ipso facto* forfeited, but the Company shall pay the purchaser of such shares, or the Assignee or other representative of such Shareholder for such shares at the current value thereof.

4. That no call shall be made upon the stock of the Company beyond or above the first deposit of ten per centum thereon, save as in this clause mentioned, and the balance of ninety per centum thereof shall not be called up until after the expenditure of the money to be raised upon the bonds of the Company or otherwise, as hereinafter authorized and provided; but such balance shall remain as a security to the Government for the final completion and equipment of the railway. After such expenditure the Directors may, from time to time, if necessary, with the approval of the Government, call upon the shareholders for such instalments upon each share, and in such proportion as the Directors may see fit; except that no such instalment shall exceed ten per centum on the subscribed capital, and that ninety days' notice of the time fixed for the payment thereof shall be given in such manner as the Directors shall think fit. And such calls shall not be made more frequently than once in ninety days.

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RAILWAY.

5. That the Company may and shall lay out, construct, equip, maintain, and work a continuous railway, of the width or gauge of four feet eight and one-half inches, which railway shall be made in conformity with the Act hereinbefore recited, and with this Our Royal Charter; and such railway shall extend from some point on or near Lake Nipissing, and on the south shore thereof, to some point on the shore of the Pacific Ocean, both the said points to be determined by the Government, and the course and line of the said railway between the said points to be subject to the approval of the Government.

6. That the Company may and shall lay out, construct, equip, maintain, and work a branch line of railway from some point on the railway in the last preceding clause mentioned, to some point on Lake Superior in British Territory, and also another branch line of railway from some point on the railway in the last preceding clause mentioned, in the Province of Manitoba, to some point on the line between that Province and the United States of America, the said points and the courses and lines of the said branches between the said points to be determined by the Government; the said branches to be of the gauge aforesaid; and such branch lines of railway shall form part of the railway in the last preceding clause mentioned, and portions of *The Canadian Pacific Railway*.

7. The railway shall be divided into sections, as follows:—

- (1.) THE EASTERN SECTION.—Extending from the Eastern Terminus to Red River.
- (2.) THE LAKE SUPERIOR SECTION.—Extending from some point on the Eastern Section to Lake Superior.
- (3.) THE CENTRAL SECTION.—Extending from Red River to a point in the longitude of Fort Edmonton.
- (4.) THE MANITOBA SECTION.—Extending from the main line in the Province of Manitoba to the Boundary of the United States.
- (5.) THE WESTERN SECTION.—Extending from a point in the longitude of Fort Edmonton to the Pacific coast.

8. That the Company shall, within two years from the twentieth day of July, in the year 1871, commence simultaneously the construction of the railway from the Pacific Ocean towards the Rocky Mountains, and from a point in the Province of Ontario hereafter to be determined by the Government, towards the Pacific Ocean, to connect the seaboard of British Columbia with the railway system of Canada; and further shall construct the Manitoba Section by the thirty first day of December 1874; the Lake Superior Section and such portion of the Eastern Section as shall be required to complete communication between Lake Superior and Red River, by the thirty first day of December, 1876; shall proceed with and construct the eastern and western sections simultaneously; shall prosecute the work of constructing the railway with all due diligence; and shall complete the whole railway within ten years from the said twentieth day of July, 1871, unless the last-mentioned period shall be enlarged by Act of Parliament, in which case the Company shall complete the whole railway within such extended period.

9. That the railway shall be constructed and equipped according to specifications to be hereafter agreed upon between the Government and the Company, and the materials of and manner in which the several works forming part thereof shall be constructed, and the mode of working the railway, or any part thereof, including the description and capacity of the locomotive engines and other rolling stock for working it, shall be such as may be hereafter agreed upon between the Government and the Company: Provided always that if the Government and the Company should be unable to agree as to the details of any of the matters in this clause mentioned, the same shall be, from time to time, referred to the determination of three competent Engineers, one of whom shall be chosen by the Government, one by the Company, and a third by such two Engineers, and the expenses of said references shall be defrayed by the Company. And in order to establish an approximate standard whereby such matters may be regulated, the Union Pacific Railway of the United States is hereby selected and fixed as such standard, but in a general way only, and not with respect to any minor details in its construction or working which may be found to be objectionable, nor with respect to alignment and grades, which shall be as favourable as the nature of the country will admit of without undue expenditure.

10. That whenever any portion of the railway exceeding twenty miles is completed, the Company shall, upon being thereunto required by the Government, work the same for the conveyance of passengers and goods, at such times and in such manner as shall be from time to time agreed upon between the Government and the Company, or in case of failure to agree, as shall be determined by three Engineers selected as hereinbefore provided.

11. That the Government may, from time to time, appoint such persons as it may think proper to examine, inspect and report upon the construction and equipment of the railway, for the purpose of ensuring the faithful performance of the agreement between the Government and the Company, and the observance of all the provisions of this Charter.

12. That the Company may and shall construct, maintain and work a continuous telegraph line throughout and along the whole line of the railway, such telegraph line being required for the proper working of the railway, and forming a necessary appendage thereto.

13. That the Company shall from time to time furnish such reports of the progress of the work, with such details and plans of the work as the Government may require.

LAND GRANT.

14. That to secure the construction of the main line of railway, and in consideration thereof there is hereby appropriated a grant to the Company of fifty million acres of land, which land, with the exceptions hereinafter mentioned, the Company shall be entitled to demand and receive in the Provinces of Manitoba and British Columbia, and in the North-West Territories, in blocks not exceeding twenty miles in depth on each side of such main line and not less than six nor more than twelve miles in width, alternating with blocks of like depth and width on each side thereof, reserved by the Government.

That to secure the construction of the branch lines, and in consideration thereof, the Company shall be entitled to demand and receive from the Government in the North-West Territories, a land grant in aid of the branch line to Lake Superior, of twenty-five thousand acres per mile; and a land grant in aid of the branch line in Manitoba, of twenty thousand acres per mile.

That the land to be granted in aid of the main line, which shall not be comprised within the alternate blocks hereinbefore mentioned, or be within the Province of Ontario, shall be allotted to the Company in alternate blocks on each side of a common front line or lines, in like manner as the blocks granted and reserved along the line of the railway. And the land grant which the Government may be enabled to make to the Company for the purposes aforesaid, under any arrangement with the Government of the Province of Ontario, shall be received by the Company as part of the said land grant in aid of the main line.

But no land grant shall include any land then before granted to any other party, or on which any other party has any lawful claim of pre-emption or otherwise, or any land reserved for school or other public purposes, or any land reserved, or to be reserved under agreement with the Hudson's Bay Company, and the deficiency arising from the exception of any such lands shall be made good to the Company by the grant of an equal extent from other wild and ungranted Dominion lands.

That if it shall be found that any of the alternate blocks laid out along the line of the railway are unfit for settlement, the Company shall not be bound to receive from the Government any greater depth of land in such blocks than one mile, computed from the railway.

That the lands to be granted in aid of the main line of railway from out of the lands of the Dominion, and the lands to be granted in aid of the said branches shall consist of such land as shall be found east of the Rocky Mountains between parallels forty-nine and fifty-seven of north latitude and the Company shall not be bound to receive any lands which are not of the fair average quality of the land in the sections of country best adapted for settlement lying within those limits; and the same shall be laid out, as nearly as may be, contiguous to the lands granted along the main line of the railway, and to the Lake Superior branch.

The Company shall also have a right of way for the railway through Dominion lands.

The lands hereby appropriated to the Company shall be granted from time to time, at intervals of six months, as any portion of the railway is proceeded with, in quantities

6 FURTHER CORRESPONDENCE WITH THE GOVERNMENTS OF

proportionate to the length, difficulty of construction and expenditure upon such portion, to be determined in such manner as hereafter is provided.

15. That the price at which the alternate blocks of land retained by the Government shall be sold by the Government, shall be from time to time adjusted by agreement between the Government and the Company, according to the price that is found to be obtainable for such lands without obstructing the settlement of the country. But unless the Company shall sell lands granted to them at a lower average price, or shall otherwise agree, the Government shall, for and during the term of twenty years from the date hereof, retain the upset price of such alternate blocks at an average price of not less than two dollars and fifty cents per acre. The provisions of this clause are, however, subject to the sanction of Parliament.

16. That the subdivision of blocks of land granted to the Company shall be made in conformity with the system of survey prescribed by the Dominion Lands Act and any amendment thereof; and shall be made by the Company, and be subject to the inspection and approval of the Surveyor-General of Dominion lands.

17. That the Government shall extinguish the Indian title affecting the lands herein appropriated, and to be hereafter granted in aid of the railway.

SUBSIDY.

18. That a subsidy or aid in money, amounting to thirty million dollars, is hereby granted to the Company, payable from time to time by instalments at intervals of one month as any portion of the railway is proceeded with, in proportion to the length, difficulty of construction, and cost of such portion, such proportion to be ascertained and settled in the same manner as is herein provided with respect to the grants of land.

19. That the Company shall allow as part of the subsidy, the cost of the survey made in the years one thousand eight hundred and seventy-one and one thousand eight hundred and seventy-two, and to be made in the year one thousand eight hundred and seventy-three, by the Government of Canada, for the purpose of ascertaining the best line for the railway.

20. That it shall be lawful for the Company to accept and receive from the Government of any Province, or from any Municipality in Canada, or from any Corporation, a subsidy or aid in money, or bonds, or securities, payable in such manner, at such times, on such conditions, and at such places in Canada or elsewhere as may be agreed upon with the Company.

BOARD OF TRUSTEES.

21. That the Company may by by-law create a Board of Trustees, to consist of three persons, to be chosen and to be removable at pleasure, as follows, that is to say: one member thereof by the Government, one other member thereof by the Board of Directors, and one other member thereof by or on behalf of the bondholders, in such manner as may be provided by such by-law; and upon the completion of such Board by the choice of such members the same shall be published by the Secretary of the Company in the *Canada Gazette*.

22. That the removal, resignation, mental incapacity, or insolvency of any member of the Board shall vacate his appointment as such; and thereupon, or upon the death of any member, the vacancy occasioned thereby shall be filled by the choice of a person to be a member of the said Board by the Government, the Board of Directors, or the bondholders, as the case may be by whom the member whose vacant seat is to be filled was originally chosen. And such change shall be published in the manner aforesaid.

23. That the duties and powers of the Board of Trustees shall be as follows:—

I. To receive from time to time from the Government of Canada such portion or portions of the subsidy of thirty million dollars as may be earned by, and payable to the Company as hereinbefore mentioned.

II. To receive from time to time the net proceeds of the sales or rents of such portions of the land hereby appropriated as may from time to time be sold or leased by the Company; and also all such subsidies and aids as may be granted to the Company by the Government of any Province, or by any Municipality or other Corporation.

III. To pay the Board of Trustees, for their services, such sums of money as shall be from time to time fixed by by-law of the Company.

IV. After payment of the expenses of the trust, to invest all moneys received by them as Trustees in the securities of the Government of Canada, or of any of its Provinces, or

of the United Kingdom of Great Britain and Ireland, or of any of the Colonies of the United Kingdom, or of the British Possessions in India, or of the United States of America; and the Board may from time to time sell any such securities, and shall in any such case forthwith reinvest the proceeds of any such sale in other securities of the nature and kind hereinbefore mentioned, or in lieu thereof, when so directed by resolution of the bondholders passed in accordance with a by-law of the Company, purchase outstanding bonds of the Company.

v. The investments to be so made as hereinbefore directed, and the securities whereof the same shall from time to time consist shall form a sinking fund, to be held by the Board of Trustees, upon the trusts following, that is to say, upon trust to pay all costs and charges, which may be incurred in respect of the execution of the trusts hereby created, and in the investment and reinvestment as hereinbefore mentioned, and thereafter upon trust to pay the interest upon the bonds of the Company, as the same shall, from time to time, become due and payable, and thereafter upon trust to pay and discharge the bonds of the Company as the same, and the principal money thereby secured, shall mature and become due and payable; and upon this further trust, after full payment and discharge of all sums of money of principal and interest upon the bonds of the Company, and of all costs and charges incurred in respect of the execution of the trusts hereby created, to transfer the said sinking fund, and the securities thereof, to the Company, to and for the absolute use and behoof of the Company; and the trusts hereby created shall thereupon cease and absolutely determine.

vi. The Board of Trustees shall conform to any order or direction respecting the performance of its duties, which may be concurred in by the Company and by the bondholders acting as provided by by-law.

24. That the Board shall have such further and other powers in the premises, as may be conferred upon them by any by-law of the Company approved by the Government. But no such by-law shall be contrary to, or inconsistent with, the provisions of this charter.

25. That a majority of the Board of Trustees may lawfully exercise the powers of the Board, and the action of such majority shall be held to be the action of the Board. But none of the powers hereby vested in the Company or in the Board of Trustees or the majority of them, shall be acted upon contrary to or inconsistent with the provisions of any agreement which shall be duly entered into by the Company or the Board of Trustees, or by both, with any person or persons who may agree to become holders of the bonds of the Company. And any agreement, resolution, or proceeding made or taken contrary to, or inconsistent with, such agreement, to the detriment of such bondholders, shall be absolutely null and void in law, and shall have no force or effect whatever.

LAND MANAGEMENT.

26. That the Board of Directors may, from time to time, appoint Commissioners or Agents for the management and disposal of the lands of the Company, with such powers and duties as shall be provided by the by-laws of the Company.

27. That the Company shall render to the Board of Trustees yearly accounts of all sales, leases or other disposition of lands; and shall from time to time pay over to the Board of Trustees the net proceeds thereof, after deduction of the cost of management and sale, such cost not to exceed ten per centum of the gross proceeds.

POWERS OF COMPANY:

28. That the Company shall, from time to time, cause the names of the several parties interested in the stock of the Company, and the amount of interest therein of such parties respectively, to be entered in a book to be called "The Stock Register," and may in like manner cause the names and interest of the bondholders to be recorded from time to time in a book to be called "The Bond Register"; and duplicates of all registers of stock and bonds of the Company, and of the holders thereof, kept at the principal office of the Company in Canada may be transmitted to and kept by the agent for the time being of the Company in London.

29. That the Company may pay to the shareholders interest on the amount of their paid up capital at the rate of five per centum per annum, during the construction of the railway and works.

30. That the Company shall have power and authority to become parties to promissory notes and bills of exchange for sums not less than one hundred dollars; and all

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such promissory notes made or endorsed, and such bills of exchange drawn, accepted or endorsed by the President or Vice-President of the Company, under the authority of the Board, shall be binding on the Company; and may also issue scrip with the like signatures, redeemable in the stock of the Company, or in lands, or in both; and in no case shall it be necessary to have the seal of the Company affixed to any promissory note, bill of exchange, or scrip: Provided, however, that nothing in this section shall be construed to authorize the Company to issue any notes or bills of exchange payable to bearer, or intended to be circulated as money, or as the notes or bills of a bank.

31. That the Company may, with the approval of the Government, enter into and conclude any arrangements with any other incorporated railway company in Canada or the United States, for the purpose of making any branch or branches to facilitate a connection between the railways of the Company and of such other incorporated company, and they may, with like approval, enter into arrangements for the mutual interchange of traffic with all railway companies completing their lines to the lines of the Company; and they may, with like approval, lease or acquire such last-mentioned railway or railways, or make running arrangements therewith, and generally may, with like approval, enter into such arrangements as will secure uniform and complete railway connection with the system of railways now or hereafter existing in Canada or the United States.

32. That the Company, after the opening of the railway, or any part thereof, to the public, shall annually submit to the Parliament of Canada, within thirty days after the opening of each session thereof, a detailed and particular account attested by the President and Secretary of the Company, of all moneys by them earned on the part so opened, together with the running expenses thereof, with a classified statement of the tonnage of freight, and the number of passengers conveyed over the said road; and shall comply with any further provisions which Parliament may hereafter make with regard to the form or details of such account or the mode of attesting or rendering the same.

33. That the Company may, until such right is determined by Parliament, undertake the transmission of messages for the public by any line of telegraph they may construct on the line of their railway, and collect tolls for so doing; or may, with the approval of the Government, lease such line of telegraph, or any portion thereof, subject to any provisions herein contained; and, if they think proper to undertake such transactions, they shall be subject to the provisions of the fourteenth and following clauses of chapter sixty-seven of the Consolidated Statutes of Canada.

DIRECTORS AND THEIR POWERS.

34. That the said Sir Hugh Allan, Adams George Archibald, Joseph Octave Beaubien, Jean Baptiste Beaudry, Egerton Ryerson Burpee, Frederic William Cumberland, Sandford Fleming, Robert Newton Hall, John Sebastian Helmcken, Andrew McDermot, Donald McInnes, Walter Shanly, and John Walker (a majority of whom shall constitute a quorum for the transaction of business), shall be Provisional Directors of the Company, and shall have power and authority to elect a President and Vice-President from among their number, to appoint a Secretary, Treasurer, and other officers, to call a general meeting of Shareholders for the election of Directors, as hereinafter provided, and generally to do such other acts as shall be necessary for the conduct and management of the said undertaking, and for finally procuring the election of a Board of Directors by the shareholders.

35. That the Provisional Directors shall hold office until the election of their successors; and shall call a meeting of the shareholders, to be held on such day, as hereinbefore provided for, and at such place in the city of Ottawa as they shall decide, giving due notice thereof to each shareholder; at which general meeting the shareholders present, either in person or by proxy, shall elect thirteen Directors, who shall constitute the Board, and shall hold office until others are elected in their stead; and if any vacancy shall occur by the death, resignation, mental incapacity, insolvency, or disqualification from want of stock of any Director, the vacancy shall be filled for the residue of the current year of office by the Board of Directors.

36. That the Directors be thirteen in number, of whom seven shall be a quorum, and provided such quorum be present, any absent Director may be represented and vote by another Director as his proxy; but no Director shall hold more than one proxy. And the Directors shall retire in the following order, that is to say: four at the end

of the first and second years respectively, and five at the end of the third year, and so on in similar proportions, during succeeding years. The Directors so to retire at the end of the first year shall be selected by ballot of the Board. Those to retire at the end of the second year shall be selected by ballot among the nine Directors remaining of the original Board. And at the third and succeeding elections they shall retire by seniority, but the retiring Directors shall be eligible for re-election, and any Director appointed by the Board to fill a vacancy, shall also retire at the end of the current year of office, and a Director shall then be elected by the shareholders in his stead—which Director shall occupy the same position with regard to retirement and seniority as the Director who first vacated the seat. And on the first Wednesday in February, in each year thereafter, or on such other day as may be appointed by a by-law of the Company, there shall be held at the principal office of the Company, a general meeting of the shareholders, at which meeting they shall elect such a number of Directors for the ensuing year as shall be required to supply the places of the Directors so retiring; and public notice of such annual meeting shall be given at least one month before the day of election. Each Director shall be a subject of Her Majesty, and a holder of at least two hundred and fifty shares of the said stock. The election of Directors shall be by ballot, and the President of the Company, and a majority of the Directors shall reside in Canada.

37. That the chief place of business of the Company shall be at the city of Ottawa, but other places at which the Directors or committees of the Directors may meet and transact business may be fixed by the by-laws of the Company.

38. That whenever it shall be deemed expedient by the Board of Directors that a special general meeting of the shareholders shall be convened for any purpose, the Directors shall convene such meeting at the city of Ottawa, by advertisement, in the manner hereinbefore mentioned, in which advertisement the business to be transacted at such meeting shall be expressly mentioned.

39. That any deed required and authorized to be executed on behalf of the Company, shall be held to be valid and binding on the Company, if it be signed by the President or Vice-President and by the Secretary, and the seal of the Company be affixed thereto: and no special authority shall be required for affixing the seal to any such deed.

40. That the Directors of the Company shall have power to administer, conduct and manage the affairs and business of the Company: and shall have and exercise all the powers requisite to enable them to do and perform, make and execute, all such acts, matters and things, deeds and instruments as shall be necessary to carry out the provisions of this Charter, according to the true intent and meaning thereof, including the power of selling, leasing, or otherwise disposing of the lands granted or to be granted in aid of the railway, and of any other lands of the Company not required for the purposes of the railway; except in so far as their powers are expressly limited by the provisions hereof. And they shall also have power, from time to time, to make by-laws for the conduct, management and administration of the affairs of the Company generally; and for the remuneration of the President and Directors of the Company, if such remuneration be deemed advisable; and also such by-laws as are contemplated by the provisions of this Charter for the regulation of divers matters herein required or authorized to be so regulated; and the same to amend or repeal: Provided always, however, that such by-laws shall have no force or effect in any respect in which they, or any of them, shall be contrary to or inconsistent with this Charter, nor in any respect in which they shall require the approval of the Government, until they have received such approval. And such by-laws shall in no case have any force or effect after the next general meeting of shareholders which shall be held after the passage of such by-laws by the Board of Directors, unless they are approved by such meeting; and any copy of the by-laws of the Company, or any of them, purporting to be under the hand of the clerk, Secretary, or other officer of the said Company, and having the seal of the said corporation affixed to it, shall be received as *prima facie* evidence of such by-law in all courts of the Dominion of Canada.

41. That the Directors of the Company are hereby authorized and empowered to issue bonds, which shall be a first charge on the railway and its appurtenances, and on the tolls and revenues thereof, and on all lands, whether the property of the Company at the time of the issue of such bonds, or thereafter acquired. And such bonds shall be in such form, and for such amount, and with such coupons attached, and they, and the coupons attached thereto shall be payable, at such times and places as the Directors from time to time shall provide. And the payment to the Treasurer of the Company,

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or to any other person appointed by by-law for the purpose, by any *bonâ fide* purchaser of any lands of the Company, of the purchase money thereof, and the acquittance by such Treasurer or other person so appointed, of such purchase money; shall operate as a release of the lands so paid for from the effect of such charge; and the Company shall keep all moneys so received separate and apart from its ordinary funds, and shall pay over the nett proceeds thereof to the Board of Trustees as hereinbefore provided. The bonds shall be signed by the President or Vice-President and the Secretary, but the signature of the President or Vice-President to the bonds, and the signature of the Secretary to the coupons, may be lithographed or engraved thereon; and such bonds shall be valid without having the seal of the Company affixed thereto.

Provided that the amount of such bonds shall not exceed forty thousand dollars per mile, to be issued in proportion to the length of railway to be constructed under and by virtue of this charter, unless the issue of bonds to a larger amount be authorized by the Government. And all bonds issued under this charter shall have the same and equal rank and priority, as a first charge on the assets of the Company hereinbefore described.

42. That if, at any time, any agreement be made by the Company with any persons intending to become bondholders of the Company, restricting the issue of bonds by the Company, under the powers conferred by the preceding section, or defining or limiting the mode of exercising such powers; the Company thereafter shall not act upon such powers otherwise than as defined, restricted and limited by such agreement. And no bond thereafter issued by the Company, and no order, resolution, or proceeding thereafter made, passed or had by the Company, or by the Board of Directors, contrary to the terms of such agreement, shall be valid or effectual.

43. That the Directors of the Company may, by by-law, appoint an agent or agents in the city of London, England, and may by such by-law make provision for the payment of dividends, and for the transfer of the stock and bonds of the Company at the said city of London, in such manner, and upon such terms and conditions as shall be provided by such by-law. Provided that all such by-laws for the transfer of stock passed within six years after the date of this Charter, shall be subject to the approval of the Government.

MISCELLANEOUS PROVISIONS.

44. That for the purpose of making an allotment of the land and money subsidies, the railway shall be divided into convenient sections; and so soon as sufficient information has been obtained respecting the difficulty and cost of construction of such sections, the proportion of land and money subsidies applicable to each of them shall be determined by agreement between the Government and the Company; and if the Government and the Company are unable to agree upon such proportion, the same shall be decided upon by three Engineers selected as hereinbefore provided.

45. That "The Railway Act of 1868," as modified by any Act of the Parliament of Canada, of the Session held in the year 1872, with reference to any railway to be constructed under any such Act on any of the lines, or between any of the points mentioned in the Act in this charter first recited, in so far as the provisions of the same are applicable to the undertaking authorized by this charter, and in so far as they are not inconsistent with or contrary to the provisions thereof, are hereby incorporated therewith.

46. And as respects the said railway, that the eighth section of "The Railway Act, 1868," relating to *Plans and Surveys*, shall be subject to the following provisions:—

It shall be sufficient that the map or plan and book of reference for any portion of the line of the railway, not being within any district or county for which there is a Clerk of the Peace, be deposited in the office of the Minister of Public Works of Canada, and any omission, mis-statement, or erroneous description of any lands therein may be corrected by the Company, with the consent of the Minister, and certified by him; and the Company may then make the railway in accordance with such certified correction.

The eleventh sub-section of the said eighth section of the Railway Act shall not apply to any portion of the railway passing over ungranted lands of the Crown, or lands not within any surveyed township in any Province; and in such places, deviations not exceeding five miles from the line shown on the map or plan, approved by the Government and deposited by the Company, shall be allowed, on the approval of the Government Inspector, without any formal correction or certificate; and any further deviation that may be found expedient may be authorized by order of the Government,

and the Company may then make their railway in accordance with such authorized deviation.

The map or plan and book of reference made and deposited in accordance with this section, after approval by the Government, shall avail as if made and deposited as required by the said "Railway Act, 1868," for all the purposes of the said Act, and of this charter; and any copy of, or extract therefrom, certified by the said Minister or his deputy shall be received as evidence in any court of law in Canada.

It shall be sufficient that a map or profile of any part of the completed railway, which shall not lie within any county or district having a registry office, be filed in the office of the Minister of Public Works.

The Company shall not commence the construction of any bridge over any navigable water until they shall have submitted to the Government plans of such bridge, and of all the intended works thereto appertaining, nor until such plans and the site of such bridge shall have been approved by the Government; and such conditions as it shall think fit to impose touching such bridge shall be complied with; nor shall any plan of any such bridge be altered, or deviation therefrom allowed, except by permission of the Government.

47. That the provision made in sub-sections thirty, thirty-one and thirty-two, of section nine of "The Railway Act, 1868," as to incumbrances on lands acquired by the Company, shall apply to lands acquired by the Company in the Provinces of Manitoba and British Columbia, and in the North-West Territories; and as respects lands in the North-West Territories, the Court of Queen's Bench for the Province of Manitoba shall be held to be the Court intended by the said sub-sections.

48. That in the Provinces of British Columbia and Manitoba, any Judge of a Superior or County Court shall have all the powers given by the said Act to a County Judge, and in the North-West Territories such powers shall be exercised by a Judge of the Queen's Bench of the Province of Manitoba.

49. That it shall be lawful for the Company to take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel, and other materials which may be necessary or useful for the construction of the railway; and also to lay out, and appropriate to the use of the Company, a greater extent of lands, whether public or private, for stations, depôts, workshops, buildings, side-tracks, wharves, harbours and roadway, and for establishing screens against snow, than the breadth and quantity mentioned in "The Railway Act, 1868," such greater extent taken, in any case, being allowed by the Government, and shown on the maps or plans deposited with the Minister of Public Works.

50. And whereas, it may be necessary for the Company to possess gravel pits and quarries, and lands containing deposits of gravel, stone, brick clay, iron or coal, as well as lands for stations and other purposes, at convenient places along the line of railway, for constructing and keeping in repair, and for carrying on the business of the railway; and as such gravel pits, quarries or deposits cannot at all times be procured without buying the whole lot of land whereon such deposits may be found; therefore, that the said Company may purchase, have, hold, take, receive, use and enjoy, along the line of the said railway, or separated therefrom, and if separated therefrom, then, with the necessary right of way thereto, any lands, tenements and hereditaments which it shall please Her Majesty, or any person or persons, or bodies politic, to give, grant, sell or convey unto and to the use of, or in trust for the said Company, their successors and assigns, and it shall and may be lawful for the said Company to establish stations or workshops on any of such lots or blocks of land, and from time to time, by deed of bargain and sale or otherwise, to grant, bargain, sell or convey any portions of such lands, not necessary to be retained for gravel pits, quarries, sidings, branches, fuel-yards, station grounds or workshops, or for effectually repairing, maintaining and using, to the greatest advantage, the said railway and other works connected therewith.

51. That as respects places not within any Province, any notice required by the "Railway Act, 1868," to be given in the "Official Gazette" of a Province, may be given in the *Canada Gazette*.

52. That deeds and conveyances of lands to the Company for the purposes of this Charter (not being Letters Patent from the Crown) may, in so far as circumstances will admit, be in the form following, that is to say:—

"Know all men by these presents, that I, A.B., in consideration of paid to me by the Canadian Pacific Railway Company, the receipt whereof is hereby acknowledged, grant, bargain, sell and convey unto the said The Canadian Pacific Railway Company, their successors and assigns, all that tract or parcel of land (*describe the land*), to have and to

No. 2.

The EARL of DUFFERIN to the EARL of KIMBERLEY.—(Received March 12, 1873.)

Ottawa, Canada,

February 27, 1873.

MY LORD,

The preliminaries connected with the loans about to be effected in connection with the "Intercolonial Railway" and the "Canadian Pacific Railway" being now complete, my Government have recorded in a Minute of Council, which I now have the honour of enclosing to your Lordship, their satisfaction with the arrangements made by Her Majesty's Government in respect of the Imperial guarantees by which those loans have been facilitated, and their acquiescence with the terms and conditions attached to them by your Lordship.

I have, &c.,

DUFFERIN.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

Inclosure in No. 2.

Copy of a REPORT of a COMMITTEE of the HON. the PRIVY COUNCIL, approved by
HIS EXCELLENCY the GOVERNOR-GENERAL on the 20th February, 1873.

The Committee of Council, understanding that your Excellency is about to communicate with the Right Hon. the Secretary of State for the Colonies, upon the subject of the guarantees undertaken by Her Majesty's Government, and referred to in the Despatches No. 98 of the 23rd October* and that of the 5th December last,† respectfully recommend that your Excellency will take that opportunity of conveying to Lord Kimberley more specifically than has been done in previous Minutes of Council their acceptance of the proposals contained in the said Despatches, and the expression of their satisfaction that the arrangement proposed by the Committee of Council for the negotiation of the loans, the payment of the interest, and the establishment of the Sinking Fund, have met the approval of Her Majesty's Government.

The Committee of Council further recommend that your Excellency will likewise be pleased to inform Lord Kimberley that they readily assent to the request made in the Despatch of the 23rd of October, 1872, that the terms of negotiation, the form of the Bond, and all other proposed arrangements connected therewith be submitted for the approval of Her Majesty's Government.

Certified. W. A. HIMSWORTH,
Clerk of the Privy Council, Canada.

No. 3.

The EARL of DUFFERIN to the EARL of KIMBERLEY.—(Received 19th March.)

MY LORD,

Ottawa, 4th March, 1873.

I have the honour to enclose for your information a copy of a Report of Council recommending that American vessels should not be prevented from fishing within Canadian waters before the Act of Congress giving effect to the Treaty of Washington comes into force on the 1st of July next.

I have forwarded a copy of this report to Sir Edward Thornton.

I have, &c.,

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

(Signed) DUFFERIN.

* This Despatch related to another Loan, and is not printed.

† Vide page 6 of Papers presented by Command, March 1873 [C—702].

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COPY of a REPORT of a COMMITTEE of the HON. the PRIVY COUNCIL, approved by HIS EXCELLENCY the GOVERNOR-GENERAL on the 3rd March, 1873.

The Committee of the Privy Council beg leave to report to your Excellency that the Act of Congress giving effect to the Treaty of Washington does not come into force till 1st July next.

Until that time American fishermen have no legal right to fish in Canadian waters, and their vessels are liable to seizure for doing so.

The Committee are, however, of opinion that no steps should be taken by the Government to prevent American vessels from fishing within the three-mile limit, and that they should have full permission to fish, as far as the Government can grant it.

It is not probable that any seizures will be made before the 1st July at the instance of private parties, but should such a case occur, the Committee will be prepared to advise your Excellency to order the release of the vessel and the remission of any penalties incurred.

Certified.

(Signed) W. A. HIMSWORTH,
Clerk, Privy Council, Canada.

PRINCE EDWARD ISLAND.

No. 4.

(Telegraphic.)

(Telegram. Received 1st July, 1872, at 4.55 P.M.)

Treaty Bill passed both Branches without amendment, and was assented to by me yesterday.

WILLIAM ROBINSON.

30th June.

No. 5.

Lieutenant-Governor ROBINSON to the EARL of KIMBERLEY.—(Received 25th July, 1872.)

MY LORD,

Government House, 12th July, 1872.

Referring to my telegram of the 30th ultimo,* I have the honour to forward two copies of an Act passed during the last session of the Legislature, entitled "An Act relating to the Treaty of Washington, 1871."

2. Authenticated transcript of this Act, accompanied by the Attorney-General's report, will be forwarded by next mail.

I have, &c.,

(Signed)

WILLIAM ROBINSON,
Lieutenant-Governor.

The Earl of Kimberley,
&c. &c. &c.

Inclosure in No. 5.

AN ACT relating to the TREATY of WASHINGTON, 1871.

[Passed June 29th, 1872.]

Preamble.

Whereas, by Article thirty-three of the Treaty between Her Majesty and the United States of America, signed at the City of Washington on the eighth day of May, one thousand eight hundred and seventy-one, it is provided that articles eighteen to twenty-five, inclusive, relating to the fisheries, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward

* No. 4.

CANADA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND. 15

Island, on the one hand, and by the Congress of the United States on the other; and that such assent having been given, the said articles shall remain in force for the term of years mentioned in the said Article thirty-three. And whereas it is expedient that the laws required to carry the said Treaty into effect as respects Prince Edward Island, should be passed by the Legislature thereof.

1. Be it therefore enacted by the Lieutenant-Governor, Council, and Assembly: The Act made and passed in the sixth year of the reign of Her present Majesty, chapter fourteen, intituled "An Act relating to the Fisheries, and for the prevention of illicit trade in Prince Edward Island, and the coasts and harbours thereof," shall be, and is hereby suspended, as respects vessels and inhabitants of the United States of America engaged in taking fish of every or any kind, except shell fish, on the sea coasts and shores, and in the bays, harbours, and creeks of Prince Edward Island; as shall also all acts, laws, or regulations (if any), over which the Legislature of the said Island has control, which would in anywise prevent or impede the full effect of the said Article eighteen. ^{6 Vic., c. 14, in part suspended.}

2. Fish-oil and fish of all kinds, except fish of the inland lakes, and of the rivers falling into them, and except fish preserved in oil, being the produce of the fisheries of the United States, shall be admitted into Prince Edward Island free of duty. ^{Articles admitted free.}

3. The foregoing sections of this Act shall come into force upon, from, and after a day to be appointed for that purpose, by a Proclamation based upon an order of the Lieutenant-Governor in Council, and shall remain in force during the term of years mentioned in Article thirty-three of the said Treaty. ^{Governor's proclamation.}

No. 6.

Lieut.-Governor ROBINSON to the EARL of KIMBERLEY.—(Received 8th August, 1872.)

My LORD,

Government House, 27th July, 1872.

In continuation of my Despatch of the 12th instant,* I have now the honour to forward authenticated transcripts† in duplicate, together with the Law Officers' summary, of an Act passed during the last Session of the legislature, entitled "An Act relating to the Treaty of Washington, 1871."

I have, &c.,

(Signed) WILLIAM ROBINSON,
Lieutenant-Governor.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

PRINCE EDWARD ISLAND.—Legislative Session of 1872.

AN ACT relating to the TREATY of WASHINGTON, 1871.

This Act is drawn as closely as possible in conformity with the Act on the same subject passed by the Dominion of Canada furnished (a copy thereof) by His Honour the Lieutenant-Governor to the Legislature.

(Signed) EDWARD PALMER,
Attorney-General of Prince Edward Island.

No. 7.

The EARL of KIMBERLEY to Lieutenant-Governor ROBINSON.

SIR,

Downing Street,
March 7th, 1873.

I have the honour to acquaint you that a Telegram has been received at the Foreign Office from Sir Edward Thornton, reporting that the Canadian Fisheries Bill has been passed by Congress, but with the condition that it shall not come into force until the 1st of July next.

* No. 5,

† Identical with the Act transmitted in No. 5.

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I have been informed by the Governor-General of Canada by telegraph that the Canadian Government do not propose to exclude American fishermen from the waters of Canada in the meantime.

I request that you will inform me as soon as possible whether your Government will be prepared, as I conclude they will, to take the same course.

Lieutenant-Governor Robinson ;
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY,

No. 8.

Lieutenant-Governor ROBINSON to the EARL of KIMBERLEY.—(Received 21 April, 1873.)

Government House, Prince Edward Island,
2 April, 1873.

MY LORD,

I have the honour to acknowledge the receipt of your Lordship's Despatch of the 7th March,* stating that the Canadian Fisheries Bill has been passed by Congress with the condition that it shall not come into force until the 1st of July next; that the Canadian Government do not propose to exclude American fishermen from the waters of Canada in the meantime; and requesting to be informed whether my government will be prepared to take the same course.

2. From my telegram of the 16th ultimo your Lordship will have learnt that we are prepared to act in union with Canada in the matter of the fisheries, and I await your Lordship's instructions as to the issue of the proclamation contemplated by the Act passed during the last session of the Legislature of Prince Edward Island, entitled "An Act relating to the Treaty of Washington, 1871," 35 & 36 Victoria, cap. 2.

(Signed) I have, &c.,
WILLIAM ROBINSON,
Lieutenant-Governor.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

NEWFOUNDLAND.

No. 9.

The EARL of KIMBERLEY to Governor HILL, C.B.

SIR,

Downing Street, 13th August, 1872.

I transmit to you for your information two Copies of an Act† to carry into effect the Treaty between Her Majesty and the United States of America, signed at Washington on 8th May, 1871.

I have to suggest that the question of the extension of the Articles of the Treaty to Newfoundland should be brought before your Advisers with a view to legislation before the meeting of Congress in December.

Governor Hill, C.B.

I am, &c.,
(Signed) KIMBERLEY.

* No.'7.

† 35 & 36 Vict. cap. xlv.

CANADA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND. 17

No. 10.

Governor HILL, C.B., to the EARL of KIMBERLEY.—(Received 20th September, 1872.)

Government House, Newfoundland,
28th August, 1872.

MY LORD,

I have the honour to acknowledge the receipt of your Lordship's Despatch of the 13th instant,* enclosing two Copies of an Act to carry into effect the Treaty between Her Majesty and the United States of America, signed at Washington on the 8th May, 1871, and suggesting that the question of the extension of the Articles of the Treaty to Newfoundland should be brought before my Advisers with a view to legislation before the meeting of Congress in December.

2. I have laid before my Ministers your Lordship's Despatch and invited their attention to the suggestions contained in it with reference to legislation respecting the Washington Treaty. I learn from them that it would be almost impossible to convene a meeting of the Legislature so as to extend the Articles of the Treaty to Newfoundland before the opening of Congress in December. The occupations of the majority of the members of the House of Assembly and of several members of the Legislative Council would incapacitate them from attending to their sessional duties earlier than the end of January next, at which time it is the present intention of my Advisers to open the Assembly.

3. I observe that the 2nd Section of the Act, cited as "The Treaty of Washington Act," provides for the extension of the Articles of the Treaty as far as they relate to this Colony, to the Island whenever the necessary laws have been passed by the Legislature of Newfoundland and approved by Her Majesty. I shall therefore during the next session again invite the attention of my Executive to the Treaty, and I have no doubt—should nothing unforeseen occur—my Ministers will have little difficulty in inducing the Legislature to accept its provisions.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) STEPHEN J. HILL.

No. 11.

Governor HILL C.B., to the EARL of KIMBERLEY.—(Received 24th February, 1873.)

Government House, Newfoundland,
6th February, 1873.

MY LORD,

I avail myself of the immediate departure of the mail to transmit herewith a Manuscript Copy of the Speech with which I have this day opened the present Session of the Newfoundland Legislature.

I shall have the honour of transmitting to your Lordship, by the next mail, six Printed Copies of the Speech in question.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) STEPHEN J. HILL.

Inclosures in No. 11.

EXTRACT from the SPEECH of His Excellency Governor HILL, C.B., on the opening of the Fourth Session of the Tenth General Assembly of NEWFOUNDLAND, 6th February, 1873.

Mr. President and Honourable Gentlemen of the Legislative Council :

Mr. Speaker and Gentlemen of the Honourable House of Assembly :

Among the subjects of importance which will be submitted to you, special attention will be invited to the extension to this Colony of the Articles of the Treaty of Washington, so far as they are applicable to Newfoundland, and early legislation suggested upon this question.

* No. 8.

18 FURTHER CORRESPONDENCE WITH THE GOVERNMENTS OF

EXTRACT.

ADDRESS of the Legislative Council, in answer to the GOVERNOR'S Speech on opening the Session, presented to His Excellency at Government House, by the Hon. the PRESIDENT and Members, on the 22nd February.

To His Excellency Colonel STEPHEN JOHN HILL, Esquire,
Companion of the Most Honourable Military Order of
the Bath, Governor and Commander-in-Chief in and
over the Island of Newfoundland and its Depen-
dencies, &c.

The extension to this Colony of the Articles of the Treaty of Washington, so far as they are applicable, calls for the careful consideration of the Legislature, and shall receive the patient attention due to a subject so seriously affecting the most vital interests of the Colony.

EXTRACT.

ADDRESS of the House of Assembly in answer to the GOVERNOR'S Speech, presented to His Excellency at Government House, by Mr. SPEAKER and the Members, on the 21st February.

To His Excellency STEPHEN JOHN HILL, Esquire, C.B.,
Governor and Commander-in-Chief in and over the
Island of Newfoundland and its Dependencies.

In giving special attention to the extension to this Colony of the Articles of the Treaty of Washington, as far as they are applicable to Newfoundland, we trust such Legislation will ensue as shall prove beneficial.

EXTRACT.

His Excellency's Reply.

Mr. SPEAKER and Gentlemen of the Honourable House of Assembly :

I am advised that the extension to the Colony of the Articles of the Treaty of Washington will be extremely beneficial to the interests of Newfoundland. I trust that the special attention which, from your Address, I infer you propose to bestow on the consideration of this convention, will result in such legislation as will enable me to inform the Secretary of State for the Colonies, promptly, that this Government has accepted the provisions of the Treaty.*

No. 12.

The EARL of KIMBERLEY to Governor HILL, C.B.

SIR,

Downing Street, 7th March, 1873.

I have the honour to acquaint you that a telegram has been received at the Foreign Office from Sir Edward Thornton, reporting that the Canadian Fisheries Bill has been passed by Congress, but with the condition that it shall not come into force until the 1st of July next.

* Since this paper was printed information has been received by telegraph that the Newfoundland Legislature has passed an Act extending the provisions of the Treaty to Newfoundland.

CANADA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND. 19

I have been informed by the Governor-General of Canada, by telegraph, that the Canadian Government do not propose to exclude American fishermen from the waters of Canada in the meantime.

I request that you will inform me as soon as possible whether your Government will be prepared, as I conclude they will, to take the same course.

Governor Hill, C.B.,
&c. &c. &c.

I am, &c.,
(Signed) KIMBERLEY.

No. 13.

Captain HALL, C.B., to the COLONIAL OFFICE.

SIR,

Admiralty, 10th March, 1873.

With reference to your letter of the 4th instant, inclosing a copy of a notification from the Foreign Office that the American Congress has fixed the 1st of July for the Canadian Fisheries Bill coming into force, I am commanded by my Lords Commissioners of the Admiralty to request you will move the Secretary of State for the Colonies to inform them whether any change is contemplated, in consequence of the action of the American Congress, in the instructions to the captains and commanding officers of Her Majesty's ships to be employed in the protection of the fisheries on the coast of Nova Scotia, Newfoundland, &c., as, if such is the case, their Lordships would be glad to be furnished with the particulars before the end of the present month.

I have, &c.,
(Signed) ROBERT HALL.

P.S.—A similar enquiry has been addressed to the Foreign Office.

No. 14.

Mr. HOLLAND to the ADMIRALTY.

SIR,

Downing Street, 19th March, 1873.

I am directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 10th instant* enquiring whether any change is contemplated, in consequence of the action of the American Congress, in the instructions to the captains and commanding officers of Her Majesty's ships to be employed in the protection of the North American fisheries.

Lord Kimberley desires me to inform you, that on the receipt of your letter an enquiry was addressed to the Lieutenant-Governor of Prince Edward Island, and to the Governor of Newfoundland, as to whether the fisheries of those islands would be opened to Americans during the coming season.

The Lieutenant-Governor of Prince Edward Island has replied to the effect that his Government are prepared to act in accord with Canada in this matter, and the Governor of Newfoundland has informed his Lordship that the fisheries of Newfoundland are now open provisionally to Americans, and that it is probable that the Legislature of that island will soon pass the Act necessary to give effect to the Washington Treaty.

Their Lordships are aware that the Canadian Government, in anticipation of the Fishery Clauses of the Treaty coming into effect from the 1st July next, have determined not to exclude Americans from the fisheries of Canada in the interval, and in these circumstances Lord Kimberley is of opinion that the formal instructions to Her Majesty's naval officers on the North American station as regards the fisheries should be suspended.

It will be necessary, however, that Her Majesty's naval officers should be directed to give such protection as may be required to the Canadian revenue vessels in preserving order amongst the fishermen who may resort to the colonial fisheries.

I am, &c.,
(Signed) H. T. HOLLAND.

The Secretary to the Admiralty.

* No. 12.

20 FURTHER CORRESPONDENCE WITH THE GOVERNMENTS OF

No. 15.

Governor HILL, C.B., to the EARL of KIMBERLEY.—(Received 21st April.)

Government House, Newfoundland,
21st March, 1873.

MY LORD,

With reference to your Lordship's Despatch of the 7th March, I have the honour to state that the Government of Newfoundland do not propose to exclude American fishermen from the territorial waters of this Colony during the coming season.

I have, &c.,
(Signed) STEPHEN J. HILL.

The Right Hon. the Earl of Kimberley,
&c. &c. &c.

APPENDIX.

42nd Congress.
3rd Session.

IN THE SENATE OF THE UNITED STATES.—FEBRUARY 25, 1873.

AN ACT to carry into effect the provisions of the Treaty between the United States and Great Britain signed in the city of Washington the 8th day of May, 1871, relating to the Fisheries.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever the President of the United States shall receive satisfactory evidence that the Imperial Parliament of Great Britain, the Parliament of Canada, and the Legislature of Prince Edward Island have passed laws on their part to give full effect to the provisions of the Treaty between the United States and Great Britain signed at the city of Washington on the 8th day of May, 1871, as contained in Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty, he is hereby authorised to issue his proclamation declaring that he has such evidence, and thereupon, from the date of such proclamation, and so long as the said Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all fish-oil and fish of all kinds (except fish of the inland lakes and of the rivers falling into them, and except fish preserved in oil), being the produce of the fisheries of the Dominion of Canada or of Prince Edward Island, shall be admitted into the United States free of duty.

SEC. 2. That whenever the colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles eighteenth to twenty-fifth of said Treaty, inclusive, to that colony, and the Legislature thereof, and the Imperial Parliament shall pass the necessary laws for that purpose, the above-enumerated articles, being the produce of the fisheries of the colony of Newfoundland, shall be admitted into the United States free of duty, from and after the date of a proclamation by the President of the United States, declaring that he has satisfactory evidence that the said colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles eighteenth to twenty-fifth, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty, so long as the said Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth, of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty.

SEC. 3. That from the date of the President's proclamation authorised by the first section of this Act, and so long as the Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all goods, wares, or merchandise arriving at the ports of New York, Boston, and Portland, and any other ports in the United States which have been, or may, from time to time, be, specially designated by the President of the United States, and destined for Her Britannic Majesty's Possessions in North America, may be entered at the proper custom-house and conveyed in transit, without the payment of duties, through the territory of the United States, under such rules, regulations, and conditions for the protection of the revenue as the Secretary of the Treasury may, from time to time, prescribe; and, under like rules, regulations, and conditions, goods, wares, or merchandise may be conveyed in transit, without the payment of duties, from such Possessions, through the territory of the United States, for export from the said ports of the United States.

SEC. 4. That from the date of the President's proclamation, authorised by the first section of this Act, and so long as Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all subjects of Her Britannic Majesty

22 CORRESPONDENCE WITH THE GOVERNMENTS OF CANADA, &c.

may carry in British vessels, without payment of duty, goods, wares, or merchandise from one port or place within the territory of the United States, upon the Saint Lawrence, the great lakes, and the rivers connecting the same, to another port or place within the territory of the United States, as aforesaid: Provided, That a portion of such transportation is made through the Dominion of Canada by land-carriage and in bond, under such rules and regulations as may be agreed upon between the Government of Her Britannic Majesty and the Government of the United States: And provided further, That the President of the United States may, by proclamation, suspend the right of carrying provided for by this section, in case the Dominion of Canada should at any time deprive the citizens of the United States of the use of the canals in the said Dominion, on terms of equality with the inhabitants of the Dominion, as provided in Article twenty-seventh of said Treaty: And provided further, That in case any export or other duty continues to be levied after the 16th day of June, 1872, on lumber or timber of any kind cut on that portion of the American territory, in the State of Maine, watered by the river Saint John and its tributaries, and floated down that river to the sea, when the same is shipped to the United States from the Province of New Brunswick, that then, and in that case, the President of the United States may, by proclamation, suspend all rights of carrying provided for by this section, for such period as such export or other duty may be levied.

SEC. 5. That this Act shall not take effect until the 1st day of July, 1873, and shall not apply to any article of merchandise therein mentioned which shall be held in bond on that day by the customs-officers of the United States.

Passed the House of Representatives February 24, 1873.

Attest :

EDWARD McPHERSON, Clerk.

FURTHER CORRESPONDENCE

WITH THE

GOVERNMENTS

OF

CANADA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND,

RESPECTING THE

TREATY OF WASHINGTON.

(In continuation of Papers presented May 1, 1873.)
(C. 750.)



Presented to both Houses of Parliament by Command of Her Majesty,
June 1873.

LONDON:

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Further Correspondence with the Governments of Canada, Prince Edward Island, and Newfoundland, respecting the Treaty of Washington.

No. 1.

Mr. Hammond to the Under-Secretary of State, Colonial Office.

Sir,

Foreign Office, April 25, 1873.

I AM directed by Earl Granville to request that you will inform the Earl of Kimberley that the American Minister called upon him to-day, and placed in his hands the inclosed copy of the Act which has been passed by the United States' Congress in order to make the necessary arrangements for carrying out the provisions contained in Articles XVIII to XXV inclusive, and Article XXX of the Treaty of Washington, and which is to take effect on the 1st of July next.

The Parliaments of Great Britain and of the Dominion of Canada, and the Legislature of Prince Edward's Island, having also passed the necessary Acts, the American Minister suggested, for Lord Granville's consideration, that it might be desirable that he should be authorized by Mr. Fish to sign a Protocol reciting these several Acts, with a declaration that the Articles are to take effect on the 1st of July.

I am to request that you will inform Lord Kimberley that, if he concurs, Lord Granville is disposed to give his assent to this proposal.

I am, &c.
(Signed) E. HAMMOND.

Inclosure in No. 1.

[GENERAL NATURE.—No. 46.]

An Act to carry into effect the Provisions of the Treaty between the United States and Great Britain, signed in the City of Washington, the 8th day of May, 1871, relating to the Fisheries.

BE it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that whenever the President of the United States shall receive satisfactory evidence that the Imperial Parliament of Great Britain, the Parliament of Canada, and the Legislature of Prince Edward's Island have passed laws on their part to give full effect to the provisions of the Treaty between the United States and Great Britain signed at the city of Washington on the eighth day of May, eighteen hundred and seventy-one, as contained in Articles eighteenth to twenty-fifth inclusive, and Article thirtieth of said Treaty, he is hereby authorized to issue his Proclamation declaring that he has such evidence, and thereupon, from the date of such Proclamation, and so long as the said Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all fish-oil and fish of all kinds (except fish of the inland lakes and of the rivers falling into them, and except fish preserved in oil), being the produce of the fisheries of the Dominion of Canada or of Prince Edward's Island, shall be admitted into the United States free of duty.

Section 2. That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles eighteenth to twenty-fifth of said Treaty, inclusive, to that Colony, and the Legislature thereof, and the Imperial Parliament shall pass the necessary laws for that purpose, the above enumerated articles, being the produce of the fisheries of the Colony of Newfoundland,

shall be admitted into the United States free of duty, from and after the date of a Proclamation by the President of the United States, declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles eighteenth to twenty-fifth, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty.

Section 3. That from the date of the President's Proclamation authorized by the first Section of this Act, and so long as the Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth, of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all goods, wares, or merchandize arriving at the ports of New York, Boston, and Portland, and any other ports in the United States which have been, or may from time to time be, specially designated by the President of the United States and destined for Her Britannic Majesty's possessions in North America, may be entered at the proper Custom-house and conveyed in transit, without the payment of duties, through the territory of the United States, under such rules, regulations, and conditions for the protection of the revenue as the Secretary of the Treasury may from time to time prescribe; and, under like rules, regulations, and conditions, goods, wares or merchandise may be conveyed in transit, without the payment of duties, from such possessions, through the territory of the United States, for export from the said ports of the United States.

Section 4. That from the date of the President's Proclamation, authorized by the first section of this Act, and so long as Articles eighteenth to twenty-fifth, inclusive, and Article thirtieth, of said Treaty, shall remain in force, according to the terms and conditions of Article thirty-third of said Treaty, all subjects of Her Britannic Majesty may carry in British vessels, without payment of duty, goods, wares, or merchandise from one port or place within the territory of the United States, upon the Saint Lawrence, the great lakes, and the rivers connecting the same, to another port or place within the territory of the United States, as aforesaid: Provided, that a portion of such transportation is made through the Dominion of Canada by land-carriage and in bond, under such rules and regulations as may be agreed upon between the Government of Her Britannic Majesty and the Government of the United States: And provided further, that the President of the United States may, by Proclamation, suspend the right of carrying provided for by this section, in case the Dominion of Canada should at any time deprive the citizens of the United States of the use of the canals in the said Dominion on terms of equality with the inhabitants of the Dominion, as provided in Article twenty-seventh of said Treaty: And provided further, that in case any export or other duty continues to be levied after the sixteenth day of June, eighteen hundred and seventy-two, on lumber or timber of any kind cut on that portion of the American territory, in the State of Maine, watered by the River Saint John and its tributaries, and floated down that river to the sea, when the same is shipped to the United States from the Province of New Brunswick, that then, and in that case, the President of the United States may, by Proclamation, suspend all rights of carrying provided for by this section for such period as such export or other duty may be levied.

Section 5. That this Act shall not take effect until the first day of July, eighteen hundred and seventy-three, and shall not apply to any article of merchandise therein mentioned which shall be held in bond on that day by the Customs Officers of the United States.

Approved, March 1, 1873.

No. 2.

The Earl of Kimberley to the Governor-General of Canada and Lieutenant-Governor of Prince Edward Island.

(Telegram.)

April 29, 1873, 5:30 P.M.

AMERICAN Government propose Protocol reciting Acts passed, and declaring that Articles of Treaty shall take effect on 1st July. Will you issue Proclamation fixing July 1st, on learning from me that Protocol has been signed?

3

No. 3.

The Lieutenant-Governor of Prince Edward Island to the Earl of Kimberley.—

(Received April 30, 6:30 P.M.)

(Telegram.)

April 30, 1873.

I WILL issue Proclamation fixing July 1st on learning that Protocol has been signed.

No. 4.

The Governor of Canada to the Earl of Kimberley.—(Received May 3, 12:20 A.M.)

(Telegram.)

May 2, 1873.

I WILL issue Proclamation when Protocol has been signed.

No. 5.

Mr. Holland to the Under-Secretary of State, Foreign Office.

Sir,

Downing Street, May 3, 1873.

I AM directed by the Earl of Kimberley to transmit to you, to be laid before Earl Granville, copies of the replies received by telegraph from the Governor-General of Canada and the Lieutenant-Governor of Prince Edward Island to the telegrams recently addressed to them respecting the issue of the Proclamation, giving effect from the 1st July next to the local Acts relating to the Treaty of Washington.

As the two Colonial Governments are prepared to issue such Proclamations on learning that the proposed Protocol has been signed, Lord Kimberley sees no objection to the course suggested by the United States' Minister, as explained in your letter of the 25th of April.

I am, &c.
(Signed) H. T. HOLLAND.

No. 6.

Mr. Hammond to the Under-Secretary of the Colonial Office.—(Received June 10.)

Sir,

Foreign Office, June 9, 1873.

I AM directed by Earl Granville to acquaint you, for the information of the Earl of Kimberley, that a telegram has been received from Her Majesty's Minister at Washington, stating that he and Mr. Fish had signed on the 7th instant the Protocol respecting the Fishery Articles of the Treaty of Washington, with some slight and unimportant alterations

I am, &c.
(Signed) E. HAMMOND.

No. 7.

The Earl of Kimberley to the Governor of Canada

(Telegram.)

Downing Street, June 17, 1873.

PROTOCOL signed. Proclamation should now issue appointing 1st July for bringing Act relating to Treaty of Washington into force. Inform me by telegraph when issued. Send copy to Prince Edward Island.

The Governor of Newfoundland to the Earl of Kimberley.—(Received May 17.)

My Lord,

Government House, Newfoundland, May 6, 1873.

I HAVE the honour to transmit herewith to your Lordship copies of an Act passed during the recent Session of this Legislature entitled "An Act relating to the Treaty of Washington, 1871." I also transmit the Colonial Crown Law Officers' report upon this Bill.

2. I have to invite your Lordship's attention to the proviso contained in the first section of the Act, respecting the time for the prosecution of the herring fishery on the western coast of the island, to which the Attorney-General, in his report, refers.

3. The other sections of the measure accept on the part of this Colony such provisions of the Treaty of Washington as relate to Newfoundland.

I have, &c.

(Signed) STEPHEN J. HILL.

Inclosure 1 in No. 8.

An Act relating to the Treaty of Washington, 1871.

Passed the House of Assembly, March 31, 1873.

Passed the Legislative Council, April 28, 1873.

Received Governor's Assent, May 5, 1873.

(Signed) J. L. NOONAN, *Colonial Secretary.*

WHEREAS a Treaty between Her Majesty and the United States of America was signed at Washington on the eighth day of May, one thousand eight hundred and seventy-one, and was duly ratified on the seventeenth day of June in that year, which, amongst other things, contained the following Article:—

"It is further agreed that the provisions and stipulations of Articles eighteen to twenty-five of this Treaty, inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect, by either of the Legislative Bodies aforesaid, shall not in any way impair any other Articles of this Treaty."

And whereas it is expedient to provide for giving effect as regards the Island of Newfoundland and its dependencies, to said Articles eighteen to twenty-five of said Treaty, inclusive, so far as they are applicable to this Colony:

Be it therefore enacted, by the Governor, Legislative Council and Assembly, in Legislative Session convened, as follows:—

1. As soon as the law required to carry into operation, on the part of the United States of America, the Articles set out in the Schedule to this Act has been passed by the Congress of the United States, and come into force, all laws of this Colony which operate to prevent the said Articles from taking full effect shall, so far as they so operate, be suspended and have no effect during the period mentioned in the Article numbered thirty-three in the Schedule to this Act: Provided that such laws, rules, and regulations relating to the time and manner of prosecuting the fisheries on the coast of this island shall not be in any way affected by such suspension.

2. The Governor in Council, by any order or orders to be made for that purpose, may do anything further in accordance with the spirit and intention of the Treaty, which shall be found necessary to be done on the part of this Island, to give full effect to the Treaty, and any such order shall have the same effect as if the object thereof were expressly provided for by this Act.

3. This Act shall not come in force until Her Majesty's assent thereto shall have been given, and until the issuing of a Proclamation under provisions of section two of the Act of the Imperial Parliament, entitled "The Treaty of Washington Act, one

thousand eight hundred and seventy-two," and shall remain in force during the term of years mentioned in Article thirty-three in the Schedule to this Act.

SCHEDULE.

Articles of the Treaty of Washington of the 8th of May, 1871, which are referred to in the foregoing Act.

ARTICLE XVIII.

It is agreed by the High Contracting Parties that, in addition to the liberty secured to the United States' fishermen by the Convention between Great Britain and the United States, signed at London on the twentieth day of October, one thousand eight hundred and eighteen, of taking, curing, and drying fish on certain coasts of the British North American Colonies therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty, for the term of years mentioned in Article Thirty-three of this Treaty, to take fish of every kind, except shell-fish, on the sea-coasts and shores, and in the bays, harbours, and creeks of the Provinces of Quebec, Nova Scotia, and New Brunswick, and the Colony of Prince Edward's Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon the said coasts and shores and islands, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish: Provided that, in so doing, they do not interfere with the rights of private property, or with British fishermen, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries, and all other fisheries in rivers and the mouths of rivers, are hereby reserved exclusively for British fishermen.

ARTICLE XIX.

It is agreed by the High Contracting Parties that British subjects, shall have, in common with the citizens of the United States, the liberty, for the terms of years mentioned in Article Thirty-three of this Treaty, to take fish of every kind, except shell-fish, on the eastern sea-coasts and shores of the United States north of the thirty-ninth parallel of north latitude, and on the shores of the several islands thereunto adjacent, and in the bays, harbours, and creeks of the said sea-coasts and shores of the United States and of the said islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the islands aforesaid, for the purpose of drying their nets and curing their fish: Provided that, in so doing, they do not interfere with the rights of private property, or with the fishermen of the United States, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea-fishery, and that salmon and shad fisheries, and all other fisheries in rivers and mouths of rivers are hereby reserved exclusively for fishermen of the United States.

ARTICLE XX.

It is agreed that the places designated by the Commissioners appointed under the first Article of the Treaty between Great Britain and the United States, concluded at Washington on the fifth of June, one thousand eight hundred and fifty-four, upon the coasts of Her Britannic Majesty's dominions and the United States, as places reserved from the common right of fishing under that Treaty, shall be regarded as in like manner reserved from the common right of fishing under the preceding Articles. In case any question should arise between the Governments of Her Britannic Majesty and of the United States as to the common right of fishing in places not thus designated as reserved, it is agreed that a Commission shall be appointed to designate such places, and shall be constituted in the same manner, and have the same powers, duties, and authority as the Commission appointed under the said first Article of the Treaty of the fifth of June, one thousand eight hundred and fifty-four.

ARTICLE XXI.

It is agreed that, for the term of years mentioned in Article Thirty-three of this Treaty, fish-oil and fish of all kinds (except fish of the inland lakes, and of the rivers falling into them, and except fish preserved in oil), being the produce of the fisheries of the Dominion of Canada, or of Prince Edward's Island, or of the United States, shall be admitted into each country, respectively, free of duty.

ARTICLE XXII.

Inasmuch as it is asserted by the Government of Her Britannic Majesty that the privileges accorded to the citizens of the United States under Article Eighteen of this Treaty are of greater value than those accorded by Articles Nineteen and Twenty-one of this Treaty to the subjects of Her Britannic Majesty, and this assertion is not admitted by the Government of the United States; it is further agreed that Commissioners shall be appointed to determine, having regard to the privileges accorded by the United States to the subjects of Her Britannic Majesty, as stated in Articles Nineteen and Twenty-one of this Treaty, the amount of any compensation which, in their opinion, ought to be paid by the Government of the United States to the Government of Her Britannic Majesty in return for the privileges accorded to the citizens of the United States under Article Eighteen of this Treaty; and that any sum of money which the said Commissioners may so award shall be paid by the United States' Government, in a gross sum within twelve months after such award shall have been given.

ARTICLE XXIII.

The Commissioners referred to in the preceding Article shall be appointed in the following manner, that is to say: One Commissioner shall be named by Her Britannic Majesty, one by the President of the United States, and a third by Her Britannic Majesty and the President of the United States conjointly; and in case the third Commissioner shall not have been so named within a period of three months from the date when this Article shall take effect, then the third Commissioner shall be named by the Representative at London of His Majesty the Emperor of Austria and King of Hungary. In case of the death, absence, or incapacity of any Commissioner, or in the event of any Commissioner omitting or ceasing to act, the vacancy shall be filled in the manner hereinbefore provided for making the original appointment, the period of three months in case of such substitution being calculated from the date of the happening of the vacancy.

The Commissioners so named shall meet in the City of Halifax, in the Province of Nova Scotia, at the earliest convenient period after they have been respectively named, and shall, before proceeding to any business, make and subscribe a solemn declaration that they will impartially and carefully examine and decide the matters referred to them to the best of their judgment, and according to justice and equity; and such declaration shall be entered on the record of their proceedings.

Each of the High Contracting Parties shall also name one person to attend the Commission as its Agent, to represent it generally in all matters connected with the Commission.

ARTICLE XXIV.

The proceedings shall be conducted in such order as the Commissioners appointed under Articles Twenty-two and Twenty-three of this Treaty shall determine. They shall be bound to receive such oral or written testimony as either Government may present. If either Party shall offer oral testimony, the other Party shall have the right of cross-examination, under such rules as the Commissioners shall prescribe.

If in the case submitted to the Commissioners either Party shall have specified or alluded to any Report or document in his own exclusive possession, without annexing a copy, such Party shall be bound, if the other Party thinks proper to apply for it, to furnish that Party with a copy thereof; and either Party may call upon the other, through the Commissioners, to produce the originals or certified copies of any papers adduced as evidence, giving in each instance such reasonable notice as the Commissioners may require.

The case on either side shall be closed within a period of six months from the date of the organization of the Commission, and the Commissioners shall be requested to give their award as soon as possible thereafter. The aforesaid period of six months may be extended for three months in case of a vacancy occurring among the

Commissioners under the circumstances contemplated in Article Twenty-three of this Treaty.

ARTICLE XXV.

The Commissioners shall keep an accurate record and correct minutes or notes of all their proceedings, with the dates thereof, and may appoint and employ a Secretary and any other necessary officer or officers to assist them in the transaction of the business which may come before them.

Each of the High Contracting Parties shall pay its own Commissioner and Agent or Counsel; all other expenses shall be defrayed by the two Governments in equal moieties.

ARTICLE XXXIII.

The foregoing Articles Eighteen to Twenty-five inclusive, and Article Thirty of this Treaty, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward's Island on the one hand, and by the Congress of the United States on the other. Such assent having been given, the said Articles shall remain in force for the period of ten years from the date at which they may come into operation, and further until the expiration of two years after either of the High Contracting Parties shall have given notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said period of ten years or at any time afterwards.

Inclosure 2 in No. 8.

Sir,

St. John's, May 5, 1873.

I HAVE the honour to report, for the information of his Excellency the Governor, that the Legislature of this Colony during the last Session passed an Act intituled "An Act relating to the Treaty of Washington, 1871.

This Act was adopted to give effect to the provisions of the Treaty of Washington, 1871, so far as they apply to this Colony.

The proviso contained in the first section has reference to the time for the prosecution of the Herring Fishery on the western coast of the island, and is merely intended to place American citizens on the same footing with our own people in that particular.

I have, &c.

(Signed) JAS. T. LITTLE, *Attorney-General.*

Captain H. J. F. Shea, R.A.,
Private Secretary,
&c. &c. &c.

No. 9.

The Earl of Kimberley to Governor Hill.

Sir,

Downing Street, June 17, 1873.

I SHALL advise the Queen to confirm the Act of the Legislature of Newfoundland entitled "An Act relating to the Treaty of Washington, one thousand eight hundred and seventy-one," by Order in Council, and you will be informed by telegraph when the Order has been passed by Her Majesty.

As regards the time for bringing the Act into operation, Sir E. Thornton has been instructed to inquire whether the President of the United States will be prepared to issue a Proclamation with reference to Newfoundland in accordance with the 2nd section of the recent Act of Congress relating to the Treaty of Washington, and to propose to Mr. Fish the signing of a separate Protocol fixing the date for bringing into effect, as regards Newfoundland, the Articles of the Treaty applicable to that island.

I inclose, for your information, a copy of a telegram addressed by Earl Granville to Sir Edward Thornton on the 13th instant, suggesting the 2nd or 3rd of July as the date which should be fixed for this object.

Sir E. Thornton has also been instructed that the proposed Protocol should contain

a clause following, as nearly as possible, the proviso at the end of the 1st Article of the Newfoundland Act, namely, that the laws, rules, and regulations of the Colony relating to the time and manner of prosecuting the fisheries on the coast of the island shall not in any way be affected by the suspension of the laws of the Colony which operate to prevent the Articles XVIII to XXV of the Treaty of Washington from taking full effect during the period mentioned in the XXXIIIrd Article of that Treaty

When the Protocol has been signed I shall communicate with you by telegraph as to the issue of your Proclamation under the 2nd section of the Imperial Act 35 and 36 Vict., cap. 45.

I have, &c.
(Signed) **KIMBERLEY.**

Inclosure in No. 9.

Earl Granville to Sir E. Thornton.

(Telegram.)

Foreign Office, June 13, 1873.

WITH reference to my despatch of the 7th instant, I am informed by Colonial Office that, under Imperial Act of last Session relative to Fishery Articles of Treaty, Governor of Newfoundland can only issue Proclamation extending these Articles to Newfoundland during the suspension of certain Acts of Parliament, which Acts will only be suspended when the United States Act shall have come into force. As this will not take place until the 1st of July, it appears that the Governor's Proclamation cannot be issued before that date, and the Protocol should, therefore, fix the 2nd or 3rd of July as the day for bringing the Articles of the Treaty into effect in Newfoundland.

No. 10.

The Lieutenant-Governor of Prince Edward Island to the Earl of Kimberley.—(Received June 20, 11.30 P.M.)

(Telegram.)

June 20, 1873.

I HAVE issued Proclamation fixing July 1 for Treaty Act to go into operation.

FURTHER CORRESPONDENCE with the
Governments of Canada, Prince Edward
Island, and Newfoundland, respecting
the Treaty of Washington.

(In continuation of Papers presented May 1, 1873.)
(C. 750.)

*Presented to both Houses of Parliament by Com-
mand of Her Majesty. June 1873.*

LONDON:

PRINTED BY HARRISON AND SONS.

CORRESPONDENCE

RELATIVE TO THE

CANADIAN PACIFIC RAILWAY.

Presented to both Houses of Parliament by Command of Her Majesty,
March, 1874.



LONDON:

PRINTED BY WILLIAM CLOWES & SONS, STAMFORD STREET AND CHARING CROSS,
FOR HER MAJESTY'S STATIONERY OFFICE.

1874.

[C.—911.] *Price 3s.*

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CORRESPONDENCE

RELATIVE TO THE

CANADIAN PACIFIC RAILWAY.

No. 1.

CANADA.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

MY LORD,

Canada, May 3, 1873.

I HAVE the honour to forward to your Lordship a certified copy of a Bill, entitled "A Bill to provide for the Examination of Witnesses on Oath by Committees of the Senate and House of Commons in certain cases," which has passed both Houses of the Canadian Parliament, and to which I have this day given my assent.

The introduction of this Bill into the House of Commons arose out of the following circumstances:—

On the 2nd April, the Hon. Lucius Seth Huntington, Member for Shefford, in the Province of Quebec, made the following motion:—

"Hon. Mr. Huntington moved that Mr. Huntington, a member of this House, having stated in his place, that he is credibly informed and believes that he can establish by satisfactory evidence,—

"That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain percentage of interest in consideration of their interest and position, the scheme agreed on being ostensibly that of a Canadian Company with Sir Hugh Allan at its head,—

"That the Government were aware that negotiations were pending between these parties,—

"That subsequently an understanding was come to between the Government and Sir Hugh Allan and Mr. Abbott, M.P., that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general election, and that he and his friends should receive the contract for the construction of the railway,—

"That accordingly Sir Hugh Allan did advance a large sum of money for the purpose mentioned, and at the solicitation and under the pressing instances of Ministers,—

"That part of the moneys expended by Sir Hugh Allan in connection with the obtaining of the Act of Incorporation and Charter, were paid to him by the said United States capitalists under the agreement with him,—it is

"Ordered, That a Committee of seven members be appointed to inquire into all the circumstances connected with the negotiations for the construction of the Pacific Railway, with the legislation of last Session on the subject, and with the granting of the Charter to Sir Hugh Allan and others; with power to send for persons, papers, and records; and with instructions to report in full the evidence taken before, and all proceedings of said Committee;" which was negatived on the following division:—
Yeas, 76; Nays, 107.

As your Lordship will perceive, this motion charges my present Advisers with a very infamous proceeding—with no less a crime than that of having sold Canada's most precious interests to certain American speculators, with a view to debauching the Canadian constituencies with the gold obtained as the price of their treachery.

In making his motion, Mr. Huntington did not accompany it by any statement as to

CANADA.

the grounds on which he founded his charge, or by the production of any evidence in support of it; and neither Sir John Macdonald nor any of his colleagues having risen to address the House, a vote was forthwith taken without debate, which resulted in a majority of 31 in favour of the Government in a House of 183.

The next day Sir John Macdonald himself gave notice that he would move the appointment of a Committee for the purpose of investigating Mr. Huntington's charges, and it being further suggested, as I am informed, by some of the Opposition members, that the evidence should be taken on oath, a Bill for that purpose was introduced by The Hon. John Hillyard Cameron, an eminent lawyer of Ontario, and the Chairman of the proposed Committee.

This Bill was accepted by the Government, and passed with scarcely any discussion in the House of Commons.

It was introduced into the Senate by Mr. Campbell, the Postmaster-General, and gave rise to some difference of opinion as to whether its enactments were within the competence of the Canadian Legislature.

In the 18th clause of the Union Act of Canada, it is provided that "The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate, and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that the same shall never exceed those at the passing of this Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof," and the critics of the measure observed that inasmuch as the British House of Commons did not acquire the general right of examining witnesses on oath until a date subsequent to the passing of the Union Act, the Dominion Parliament was precluded by the terms of the foregoing clause from investing the Canadian House of Commons with the powers in question.

It strikes me, however, that the 18th clause of the Union Act was not framed for the purpose of restricting the legislative action of the Dominion Parliament, but that the terms "immunities, privileges, &c.," refer to those immunities and privileges which are inherent in the British House of Commons as a separate branch of the Legislature, and this view seems to be confirmed by the use of the word "defined."

The manifest purpose of the Act was to endow the Canadian House of Commons with a status analogous to that enjoyed by the House of Commons at home; and for obvious reasons it was necessary that the attributes of this status should be distinctly specified in the manner provided for by the 18th clause, but it could scarcely have been intended to preclude either branch of the Canadian Legislature from acquiring, by Act of Parliament, such other powers as experience might prove to be necessary, providing these powers were constitutional in themselves, and did not infringe the prerogatives of the Crown.

That this view was held by my predecessors as well as by the Imperial Government may be deduced from the following circumstances:—

The Canadian Senate is also endowed by the 18th clause of the Act of Union with the same privileges and attributes as the Imperial House of Commons, but these "privileges," &c., are confined by an identic formula within the same limits as those which restrict the powers of the Canadian House of Commons, and which are supposed to render the present "Oaths Bill" ultra vires, viz. to such as were possessed by the British House of Commons at the passing of the Act. Yet one of the first acts of the Canadian Legislature was to invest the Canadian Senate with a general power of examining witnesses at its Bar—a power which was not possessed by the British House of Commons until long after the passing of the Union Act.

It is possible that this Act may have been assented to by the Governor-General, and acquiesced in by the Imperial Government through inadvertence, in which case it could not be appealed to as a precedent for sanctioning an obvious illegality, but there are no corroborating circumstances to justify me in acting on so unlikely an assumption.

Under these circumstances, I trust your Lordship will consider that I have done right in giving the assent of the Crown to the Canadian "Oaths Bill."

Had I deferred doing so, very prejudicial results would have arisen. The investigation of a charge of the gravest nature, affecting the honour of my Constitutional Advisers would have appeared to be indefinitely postponed, while it was being loudly asserted and widely credited throughout the country that the delay had been contrived at the instigation of Sir John Macdonald and his confederates, who were seeking by these devices to defer the exposure of their guilt.

But for this circumstance I might have been tempted, as the point raised is a purely legal one, to have reserved the Bill for your Lordship's consideration, and the

CANADIAN PACIFIC RAILWAY.

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more so because, as you will perceive by the enclosed Minute, Sir John Macdonald is inclined to share the misgivings of those who question the competence of the Canadian Parliament in this matter; but as the issue is one not of Colonial but of Imperial concern, and as Sir John tendered his opinion merely for my information, and not as my Adviser—indeed he intimated that he would be glad if I saw my way to assenting to the Bill—I felt at liberty to consult my own judgment, more especially as it may be presumed that my Government would not have promoted the “Oaths Bill” in the House of Commons and fathered it in the Senate, had the Minister of Justice entertained a decided conviction of its illegality.

My conclusions have been further fortified, not only by the opinion of many legal authorities whom I have consulted, but more especially by that of Mr. Alpheus Todd, the author of ‘Parliamentary Government in England,’ who, as your Lordship is aware, is exceptionally qualified to pronounce upon questions of this description, and who has been good enough to discuss the case in a short Memorandum, of which I enclose a copy.

CANADA.
—
Department
of Justice,
30th April,
1873.

1st May, 1873.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) DUFFERIN.

Enclosure 1 in No. 1.

Ottawa, September 8, 1873.

I, Robert Le Moine, Esq., Clerk of the Parliaments and Custodian of the Statutes of the Parliament of Canada, certify the subjoined to be a true copy of the original enactment passed by the Senate and House of Commons of Canada, in the first Session of the Second Parliament, held in the thirty-sixth year of Her Majesty's reign, and assented to in the Queen's name, by the Governor-General, on Saturday, the third day of May, one thousand eight hundred and seventy-three, and afterwards, on the twenty-second day of May of the said year, was disallowed by her Majesty in Council, and proclamation thereof made by his Excellency the Governor-General on the first day of July following.

ROBERT LE MOINE,
Clerk of the Parliaments.

An Act to provide for the Examination of Witnesses on Oath by Committees of the Senate and House of Commons in certain cases.

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Whenever any witness or witnesses is or are to be examined by any Committee of the Senate or House of Commons, and the Senate or House of Commons shall have resolved that it is desirable that such witness or witnesses shall be examined upon oath, such witness or witnesses shall be examined upon oath or affirmation, where affirmation is allowed by law.

2. Such oath or affirmation shall be administered by the Chairman or any member of any such Committee as aforesaid.

3. Any witness giving false evidence upon any such examination, shall be subject and liable to all the pains and penalties of perjury, as fixed by the criminal law.

4. The oath or affirmation aforesaid shall be in the following form: “The evidence you shall give on this examination shall be the truth, the whole truth, and nothing but the truth. So help you God.”

Enclosure 2 in No. 1.

“Department of Justice,
“Ottawa, April 30, 1873.

“The undersigned, to whom has been referred, by your Excellency, the Bill passed during the present Session by the Senate and House of Commons, intituled ‘An Act to provide for the Examination of Witnesses on Oath by Committees of the Senate and House of Commons, in certain cases,’ begs leave to report:—

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“ ‘ 1. That by the 18th Clause of “ The British North America Act, 1867,” it is provided as follows :—

“ ‘ The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that the same shall never exceed those at the passing of this Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.’

“ 2. That subsequently, on the 22nd May, 1868, the Canadian Parliament, by the Act 31st Victoria, chap. 23, in pursuance of the authority so given by the Union Act, defined the privileges of the Senate and House of Commons respectively. The clause doing so is as follows :—

“ The Senate and the House of Commons respectively, and the members thereof respectively, shall hold, enjoy, and exercise such and the like privileges, immunities, and powers, as at the passing of ‘ The British North America Act, 1867,’ were held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof, so far as the same are consistent with and not repugnant to the said Act.

“ At this time neither the British House of Commons, nor any Committee thereof, had power of examining witnesses on oath, except in certain specified cases, such as in Private Bills. That power was only conferred on the British House of Commons and the Committees in 1871, by the Act 34 and 35 Vict., chap. 83.

“ The Bill now referred to the undersigned seeks to confer this power upon any Committee of the Senate or House of Commons, when either House shall have resolved that it is desirable that witnesses should be examined upon oath. The empowering section of the Bill is as follows :—

“ ‘ Whenever any witness or witnesses is or are to be examined by any Committee of the Senate or House of Commons, and the Senate or House of Commons shall have resolved that it is desirable that such witness or witnesses should be examined upon oath, such witness or witnesses shall be examined upon oath or affirmation, where affirmation is allowed by law.’

“ The question has been raised whether it is competent for the Parliament of Canada to confer this power on a Committee of the Senate or House of Commons here, as it is a power which was not possessed or exercised by the British House of Commons at the time of the passing of ‘ The British North America Act, 1867.’

“ The undersigned has come to the conclusion, although not without doubt, that this Bill is not within the competency or jurisdiction of the Canadian Parliament, and that the attention of Her Majesty’s Government should be called to its provisions, and to the doubt that exists with respect to its validity.

“ All which is respectfully submitted.

(Signed) “ JOHN A. MACDONALD.”

Enclosure 3 in No. 1.

“ OPINION IN REFERENCE TO THE MEANING OF THE 18TH CLAUSE OF THE BRITISH NORTH AMERICA ACT OF 1867.

“ This clause is as follows :—

“ ‘ The privileges, immunities, and powers, to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that the same shall never exceed those at the passing of this Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.’

“ A Bill having been introduced into the Dominion House of Commons, in the present Session, intituled ‘ An Act to provide for the Examination of Witnesses on Oath by ‘ Committees of the Senate and House of Commons in certain cases,’ a question has been raised as to whether the Dominion Parliament were competent to pass this Bill in view of the restrictions imposed by the 18th clause of the B. N. A. Act aforesaid.

“ In my opinion that clause was intended to restrain the claims of either House to

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indefinite privileges and immunities, by providing that such privileges shall never exceed those enjoyed by the Imperial House of Commons at a given date. The privileges and immunities herein referred to are those that might reasonably or unreasonably be claimed as inherent in, or necessarily attaching to, the Houses of the Canadian Parliament, pursuant to the maxim that 'all things necessary pass as incident.' By limiting such privileges and powers to those possessed by the Imperial House of Commons in 1867, it prevents, on the one hand, an undue encroachment or extension of privilege, and on the other hand secures to the two Houses and the members thereof respectively, the privileges, immunities, and powers appropriate to them as component parts of the Canadian Parliament.

"It has been urged that the Act to authorize the examination of witnesses on oath by Committees of the Senate and House of Commons of Canada, is an extension of their privileges, beyond those sanctioned by the B. N. A. Act, inasmuch as Select Committees of the Imperial House of Commons (not being Private Bill Committees) did not possess such power in 1867, or until, by the Imperial 'Parliamentary Witnesses Oaths Act' of 1871, such power was for the first time conferred upon them.

"It is to be observed, however, that the power so conferred upon Committees by the English House of Commons was not claimed as a 'privilege' inherent in that body. It was merely a power conferred by statute, to facilitate legislative inquiries, similar to that which has been repeatedly conferred upon Statutory Commissions; and in being so conferred it did not trench upon any prerogative of the Crown, or enlarge the constitutional rights of the House of Commons.

"The Dominion Parliament were therefore clearly competent, in my judgment, to confer a similar power upon Committees of the Senate and House of Commons, pursuant to the authority conveyed to that Parliament by the 31st clause of the British North America Act, 'to make laws for the peace, order, and good government of Canada.'

"In a word, the restrictions contained in the 18th clause of the aforesaid Act are restrictions upon claims that might be urged on behalf of the two Houses of the Canadian Parliament, or the members thereof respectively, to *inherent or excessive privileges*, and are not intended to prevent the exercise of *legislative powers* by the whole Parliament, provided that the same are exercised within appropriate constitutional limits.

(Signed) "ALPHEUS TODD.

"Library of Parliament,
1st May, 1873."

No. 2.

TELEGRAM RECEIVED IN QUEBEC, JUNE 27TH, 1873.

The EARL OF KIMBERLEY to EARL OF DUFFERIN.

"Oaths Act is disallowed."

No. 3.

The SECRETARY of STATE for the COLONIES to the GOVERNOR-GENERAL.

"MY LORD,

"Downing Street, June 30, 1873.

"I HAVE the honour to transmit to you an Order in Council disallowing the Act passed by the Parliament of Canada, 'to provide for the Examination of Witnesses 'on Oath by Committees of the Senate and House of Commons in certain cases,' and also the Certificate, as required by the 56th Section of the British North America Act, 1867, stating when the Act was received in this Department. Before tendering any advice to Her Majesty upon this Act, I referred to the Law Officers of the Crown, and I was advised that the Act was ultra vires of the Colonial Legislature, as being contrary to the express terms of Section 18 of the British North America Act, 1867, and that the

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Canadian Parliament could not vest in themselves the power to administer oaths, that being a power which the House of Commons did not possess in 1867, when the Imperial Act was passed. The Law Officers also reported that the Queen should be advised to disallow the Act.

"My attention has been called to the fact that by an Act of the Canadian Parliament, cap. XXIV. of 1868, provision is made by the first section for examining witnesses upon oath at the bar of the Senate, and that the Act has been allowed to remain in operation. It appears to have escaped observation both here and in the Colony that though such examination of witnesses is in accordance with the practice of the House of Lords, the powers of the Senate of Canada are limited by the British North America Act, 1867, to such powers as were then enjoyed by the House of Commons, and that the first section of the Canadian Act of 1868 was therefore in contravention of that Act.

"But though the Act of 1868 was not disallowed, I have to point out to you, that under the second section of 28 and 29 Victoria, cap. 63, this first section is void and inoperative, as being repugnant to the provisions of the British North America Act, and cannot be legally acted upon.

"So far as regards the powers given by the Act of 1868 to Select Committees upon Private Bills, they would appear to be unobjectionable, as like powers had, before the passing of the British North America Act, been given to the House of Commons by 21 and 22 Vict., cap. 78."

"I have, &c.,
(Signed) "KIMBERLEY."

Governor-General The Right Hon.
The Earl of Dufferin, K.P., K.C.B.,
&c. &c. &c.

At the Court at Windsor, the 26th day of June, 1873.

PRESENT :

THE QUEEN'S MOST EXCELLENT MAJESTY,

Lord President,
Earl Granville,

Earl of Kimberley,
Lord Chamberlain,

Mr. Gladstone.

"WHEREAS by an Act passed in the thirtieth year of Her Majesty's reign, entitled 'An Act for the Union of Canada, Nova Scotia, and New Brunswick, and the Government thereof, and for purposes connected therewith,' it is, amongst other things, enacted, that where the Governor-General assents to a Bill in the Queen's name, he shall, by the first convenient opportunity, send an authenticated copy of the Act to one of Her Majesty's Principal Secretaries of State, and if the Queen in Council, within two years after receipt thereof by the Secretary of State, thinks fit to disallow the Act, such disallowance (with a Certificate of the Secretary of State of the day on which the Act was received by him) being signified by the Governor-General, by Speech or Message to each of the Houses of the Parliament, or by Proclamation, shall annul the Act from and after the day of such signification."

"And Whereas on the 3rd day of May, 1873, a certain Bill, passed by the Parliament of the Dominion of Canada, entitled 'An Act to provide for the Examination of Witnesses on Oath by Committees of the Senate and House of Commons in certain cases,' was assented to by the Governor-General of the said Dominion of Canada: and whereas the said Act of the Parliament of Canada has been laid before Her Majesty in Council, and it is expedient that the said Act should be disallowed by Her Majesty:

"Now, therefore, Her Majesty, in pursuance of the said Act of the Imperial Parliament, and in exercise of the powers thereby reserved to Her Majesty, as aforesaid, doth by this present Order, by and with the advice of Her Majesty's Privy Council, declare her disallowance of the said Act of the Parliament of Canada. And the Right Honourable the Earl of Kimberley, one of Her Majesty's Principal Secretaries of State, is to give the necessary directions herein accordingly.

"ARTHUR HELPS."

"Colonial Office, Downing Street.

"I, John, Earl of Kimberley, being one of Her Majesty's Principal Secretaries of State, do hereby certify that the Act passed by the Senate and House of Commons of

Canada, intituled, 'An Act to provide for the Examination of Witnesses on Oath by Committees of the Senate and House of Commons, in certain cases,' was received at this Department on the 22nd day of May, 1873.

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"Given under my hand and seal, this 1st day of July, 1873.

"KIMBERLEY."

No. 4.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

MY LORD,

Canada, August 15, 1873.

I HAVE the honour to state, for your Lordship's information, that at half-past three of the afternoon of Wednesday the 13th instant I prorogued Parliament.

As this event is likely to be regarded with dissatisfaction by one of the great political parties in this country, and has been already animadverted upon in no measured terms by a portion of the Canadian press, I propose to give your Lordship a full account of the circumstances under which it has taken place.

Although I have already acquainted your Lordship from time to time with everything which has occurred in connection with the grant of the Pacific Railway Charter, as well as with the proceedings in and out of Parliament to which it has given rise, it may be well to preface my intended statement by a brief recapitulation of its previous history.

The scheme of a Canadian line of railway from the Atlantic to the Pacific first acquired a practical character in 1871, when its construction within ten years from that date became one of the conditions on which British Columbia covenanted to enter into confederation.

The first move towards the realization of the project seems to have been initiated, not by a Canadian, but by an Englishman of the name of Waddington, who, after broaching his proposals in Toronto and elsewhere, apparently without success, eventually succeeded in obtaining the co-operation of a number of capitalists in Chicago and New York, most of whom, though not all, were interested in the "Northern Pacific Railway," a United States line, connecting at Lyndon with the continental system, which it is intended to carry across the northernmost States of the Union to a port on the Pacific, and which will consequently run parallel—though at a lower latitude and over a wider arc—with the proposed Canadian line.

A deputation from these gentlemen seems to have visited Ottawa in the autumn of 1871, and to have had an interview with some members of the Canadian Government, by whom they were informed that the time for entering into negotiations for the construction of the railway had not arrived. For several months no other proposition was received by the Government; but it is stated by Sir Francis Hincks, in a letter of which I append a copy, that, being in Montreal in the month of July of the same year, he met Sir Hugh Allan, and, giving him the names of some of the Americans who had made these advances, expressed his regret that a work of such importance should fall into the hands of foreigners. Acting upon this suggestion, Sir Hugh Allan turned his attention to the matter, and eventually, in conjunction with these American gentlemen and some Quebec friends of his own, formed a Company for the prosecution of the work. But as the Session of 1872 approached, it became evident that the admission of parties connected with the American Pacific to a share in the contract for the Canada Pacific was become unpopular, and, Parliament appearing to share this feeling, it was announced by the Government to Sir Hugh Allan that no proposals emanating from an American Company would be entertained.

On this intimation, Sir H. Allan appears to have addressed himself to the organization of a purely Canadian Company, and gave to the Government the most positive assurances that he had entirely dissociated himself from his American friends.

In the meantime another Company had been formed in Toronto, called the "Inter-oceanic Company," of which Mr. Macpherson, a gentleman of very high standing and character, and a Dominion Senator, was Chairman.

During the ensuing Session—that is, in the Spring of 1872—both the Companies, the "Inter-oceanic" and "Canada Pacific," as Sir Hugh's was now called, obtained Acts of Incorporation, and, at the same time, an Act of Parliament was passed enabling the Government to enter into a contract with one or other of the above-mentioned Companies,

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or with an amalgamation of the two, or, if they should see fit, to grant a royal charter to a new and altogether distinct Company, in case an agreement should be found impossible with those already in existence.

The terms which Government was authorized to grant to whatever Company undertook the contract were settled in the last Parliament, and will already have been communicated to your Lordship by my predecessor, Lord Lisgar, who, up to this time, was still in office; but it may be convenient to mention that the principal concessions consisted of a grant, under certain conditions, of 50,000,000 acres of land, in alternate blocks along the line, and of a subsidy of \$30,000,000 (say 6,000,000*l.* sterling). Of this sum the interest of 2,250,000*l.*, which, by the transference of the fortification loan to the same account, became eventually 3,800,000*l.*, was guaranteed by the Imperial Government.

The Session closed on the 14th June. Parliament was dissolved on the 8th July. On the 25th June I arrived in this country, and became personally cognizant of many of the events I now proceed to record.

From the 15th of July to the 12th of October the elections were being held. As soon as they were concluded, Sir John Macdonald returned to Ottawa, and the Canadian Pacific Railway became a frequent topic of conversation between us. My Government never seem to have favoured the idea of giving the contract to either of the rival Companies, who were then competing for the preference. In Senator Macpherson's Company an Ontario interest was very strongly represented. In Sir Hugh Allan's a Quebec interest predominated. The contemplated undertaking would evidently tax the resources of the country to the utmost. It would be undesirable, therefore, Sir John argued, that any Canadians desirous of putting their shoulders to the wheel should be excluded, and a fusion of the two Companies—as provided for in their Incorporation Acts, and contemplated by the Act of Parliament—was the object to be attained. Into the intricate and somewhat obscure negotiations which then ensued between Mr. Macpherson and Sir Hugh Allan, at the instance of my Government, I need not enter. They are sufficiently displayed in the Blue Book which I subjoin, and which I have marked for reference. It suffices to say that, notwithstanding Sir John Macdonald's efforts to bring the parties to an understanding, the negotiation altogether failed, principally, as it was alleged on the one side, because Sir Hugh Allan had not really broken off his connection with the American interest; and on the other, because Mr. Macpherson was not willing to recognize the claims to the chairmanship of Sir H. Allan, whose pretensions my Government were disposed to favour, in consideration, as they stated, not only of his influential position in the Province of Quebec, but as having been the first Canadian in the field to associate himself with the enterprise.

In reference to this point, I may observe that, although I have no means of knowing either when or to what extent my Ministers may have pledged themselves to favour Sir Hugh Allan's election to the chairmanship, the selection of such a person, the originator of the Oceanic line of communication between Great Britain and Canada, a gentleman who might fairly be regarded as the representative capitalist of the Dominion, and who would be more likely than any other to make an impression upon the English money market, was a choice which, at that time, few seemed disposed to question.

Baffled in their efforts to effect the amalgamation they desired, Sir John Macdonald and his colleagues announced their intention of promoting the formation of a new and independent Company, out of whatever elements of strength were to be found throughout the Dominion, and shortly before the meeting of the new Parliament in March, a Board of Directors was constituted, which included not only some of the leading promoters of the two defunct Companies, but representative men from each of the Provinces of the Dominion. Of this Board Sir Hugh Allan seems to have been elected chairman as a matter of course, and to the Company it represented the Charter was eventually issued.

In previous Despatches I have already described to your Lordship the precautions which were taken to prevent any American interest or foreign capital ever obtaining control over the concern. I am not sufficiently conversant with railway financing to assert, on my own authority, that the restrictions introduced into the Charter with this view are sufficient for their purpose. Money, like water, has a very narrow shoulder, and will find its way wherever it is likely to fructify,—but as far as I can judge, every reasonable precaution seems to have been taken. All the Directors must be British subjects. The President and the majority of the Directors must reside in Canada, and though the shares are transferable, no transfer can be made for the first six years without the consent of the Government, nor after six years without the consent of the Directors—the transfers in both cases being registered in the books of the Company.

Another subject which seemed constantly to pre-occupy the mind of my Prime Minister at this time was the necessity of preventing any one individual, or any one interest

or combination of interests, whether represented by Sir Hugh Allan or another, from acquiring a predominant influence on the Directory. Here again I am not sufficiently familiar with the arcana of Board-rooms to know whether the adjustments on which Sir John relied were as effectual for the purpose as they appeared to me to be, but I may observe, that although the scrutiny of Parliament was directed under the light of subsequent events to these especial points, neither House has expressed dissatisfaction with the provisions of the Railway Charter, or the personnel of the governing body. On the contrary, up to the last moment of the Session, on repeated occasions Parliament continued to manifest its confidence in those who framed the one and constituted the other. If therefore, as is alleged, a corrupt modification of the Pacific Railway Charter to the advantage of Sir Hugh Allan and his American friends was the consideration for which these personages squandered the enormous sums asserted to have been spent, it would seem that they have scarcely obtained their money's worth, a result, I should imagine, foreign to the experience of such shrewd men of business.

But though the Parliament of Canada thus unmistakably ratified the railway policy of my Ministers, its verdict on the subject was not destined to pass unchallenged. On the 2nd of April, Mr. Lucius Seth Huntington, a distinguished member of the House of Commons, startled his immediate auditory, as well as the whole political world of Canada, by the unexpected introduction of the following motion:—

“Hon. Mr. Huntington, moved, that Mr. Huntington a member of the House, having stated in his place that he is credibly informed and believes that he can establish by satisfactory evidence,—

“That in anticipation of the legislation of last Session as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain percentage of interest, in consideration of their interest and position, the scheme agreed on being ostensibly that of a Canadian Company with Sir Hugh Allan at its head,—

“That the Government were aware that negotiations were pending between these parties,—

“That subsequently an understanding was come to between the Government and Sir Hugh Allan and Mr. Abbott, M.P., that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general election—and that he and his friends should receive the contract for the construction of the railway,—

“That accordingly Sir Hugh Allan did advance a large sum of money for the purpose mentioned, and at the solicitation and under the pressing instances of Ministers,—

“That part of the moneys, expended by Sir Hugh Allan in connection with the obtaining of the Act of Incorporation and Charter were paid to him by the said United States capitalists under the agreements with him,—it is

“Ordered that a Committee of seven members be appointed to inquire into all the circumstances connected with the negotiations for the construction of the Pacific Railway—with the legislation of last Session on the subject, and with the granting of the Charter to Sir Hugh Allan and others; with power to send for persons, papers and records; and with instructions to report in full the evidence taken before, and all proceedings of, said Committee”—which was negatived.

As I have already remarked in a previous Despatch, May 3rd, the charge thus brought against my Government was very grave, viz.—that they had trafficked with foreigners in Canada's most precious interests in order to debauch the constituencies of the Dominion with the gold obtained as the price of their treachery. In making these allegations, however, Mr. Huntington did not enforce them by any confirmatory statement or by the production of any *primâ facie* proofs of their validity. He merely read his motion and sat down. Neither Sir John Macdonald nor any of his colleagues having risen to address the House, a division was taken without debate, which resulted in a majority of 31 for Government in a House of 183.

Notwithstanding this display of their Parliamentary strength, which I imagine was put forward by way of protest against Mr. Huntington's appeal to his own mere *ipse dixit* my Government felt that the matter could not thus be disposed of, and accordingly the next day Sir John Macdonald gave notice of the following motion, which was carried on the ensuing Tuesday, April 8th:—

“On motion of the Right Hon. Sir John A. Macdonald, that a select Committee of five members (of which Committee the mover shall not be one) be appointed by this House to inquire into and report upon the several matters contained and stated

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in a Resolution moved on Wednesday, the 2nd of April instant, by the Hon. Mr. Huntington, member for the County of Shefford, relating to the Canadian Pacific Railway, with power to send for persons, papers, and records: to report from time to time, and to report the evidence from time to time, and if need be to sit after the prorogation of Parliament.

"The members to compose the Committee were then named by the House as follows: Hon. Mr. Blanchet, Mr. Blake, and Hon. Messrs. Dorion (Napierville) Macdonald (Pictou), and Cameron (Cardwell)."

Of the five above-mentioned gentlemen three—viz. Mr. Cameron, Mr. Macdonald, and Mr. Blanchet—may be regarded as regular supporters of the Administration, and two, Mr. Blake and Mr. Dorion—as leading members of the Opposition.

On the debate which took place on this motion, I am informed by my Prime Minister, and here I must remind your Lordship that I have no other means of acquainting myself with what takes place in the House, as I am precluded from being present at its proceedings, and the newspaper reports are quite untrustworthy—that Mr. Mackenzie the leader of the Opposition, as well as Mr. Blake, Mr. Dorion, and Mr. Joly, eminent members of the same party, expressed themselves of opinion that the evidence tendered should be on oath, and the former gentleman further suggested, it being doubtful whether the Committee could sit after the House was once prorogued, that a Bill should be introduced expressly enabling it to do so. I shall have occasion subsequently to refer to this latter circumstance. As the necessity for sworn testimony in respect of such grave charges was generally obvious, an Oaths Bill was introduced into the House of Commons on the 18th of April, was passed through the Senate on the 29th, and received the Royal assent on the 3rd May. The time occupied in getting this measure through Parliament was pronounced unnecessarily long by many members of the Opposition.

Into the motives which induced me to sanction the Oaths Bill, and into its subsequent history, I need not enter, as the former are stated in my Despatch of the 3rd of May and the latter is recorded in your Lordship's communication of June 30th—but I may observe in passing, that amongst other respects in which my conduct has been criticised, the fact of my having communicated to you by the first opportunity a certified copy of the Oaths Bill has been a very general point of attack. I apprehend it will not be necessary to justify myself to your Lordship in this particular. My law-adviser had called my attention to the possibility of the Bill being illegal. Had perjured testimony been tendered under it, no proceedings could have been taken against the delinquent, and if, under these circumstances, I had wilfully withheld from the Home Government all cognizance of the Act, it would have been a gross dereliction of duty. To those in this country who have questioned my procedure it would be sufficient to reply, that I recognize no authority on this side of the Atlantic competent to instruct the Governor-General as to the nature of his correspondence with Her Majesty's Secretary of State.

In the meantime the Committee had met, and on the 5th of May had resolved, amongst other things, "That in view of the absence of Sir George Cartier and the Hon. J. J. C. Abbot, and the impossibility of the investigation with which the Committee is charged being carried on in a proper manner without an opportunity being afforded these gentlemen of being present and hearing the testimony adduced, it was advisable the Committee should adjourn until Wednesday, the 2nd day of July, if Parliament should be then in Session,"—a conclusion which appears to have been arrived at in the Committee by a majority of three to two. On the following day these recommendations were adopted by the House of Commons, on a vote of 107 to 76.

The ordinary business of the Session being now nearly concluded, and it having been admitted, I understand, by all parties, that the Committee could not sit after prorogation, it was arranged that the House should adjourn to such a day beyond the 2nd July as would enable the Committee to complete the investigation and to frame their Report. The date eventually determined on was the 13th of August, which was also settled as the day on which Parliament was to be prorogued.

As the nature of the understanding at the time in respect of this latter event has been warmly controverted, it is necessary that I should here acquaint your Lordship with the facts of the case so far as I am cognizant of them. Early in May—I forget the exact date—Sir John Macdonald waited upon me in my office, and having communicated to me the arrangements contemplated for the convenience of the Committee, informed me that he wished to take my pleasure as to the date of prorogation, mentioning the 13th of August as the one he desired to suggest. Having received my assent to this proposal, he repaired to the House of Commons, and announced from his place as leader of the House and the person responsible for the conduct of public business, that Parliament

would be prorogued on the 13th August, stating, as he affirms, in the most distinct terms, that the "re-assembly of Parliament on that day would be pro formâ, that no business would be done beyond the reception of the Report of the Committee, which could then be printed with the evidence, and go before the country; that the members would not be required to return, and that only the Speakers of the two Houses need be in their places." The only observation elicited by this announcement proceeded from Mr. Holton, an Opposition member, who remarked "that to do any business there must be a quorum, and that he and a quorum would be there;" to which Sir John informs me he replied, that "if a quorum was necessary, a sufficient number of members would be found in the neighbourhood of Ottawa,"—a quorum consisting of the Speaker and nineteen others. It was upon this understanding, Sir John assures me, that the House consented to adjourn, and in confirmation of his assertion he has communicated to me the subjoined letter from Mr. Palmer, the member for St. John:—

"SIR,

"St. John, August 11, 1873.

"In consequence of statements that I understand have come from some members of the Commons to the effect that there might be an actual Session of Parliament at the adjournment on the 13th, to you, as the leader of the Government, I beg to make the following statement by way of protest.

"I have to remind you that the House of Commons only consented to adjourn to that time on your pledge openly given in the House that no business should be transacted, nor would the attendance of members be required, as there would be enough around Ottawa to make a quorum; that Mr. Speaker would receive the Report of the Committee on the Huntington charges, so that it might be published, and that then Parliament would be at once prorogued.

"If this promise had not been made, I do not believe the House would have consented to any such adjournment. I certainly would not have given my consent to any adjournment that would have put the country to an expense of a quarter of a million dollars by bringing the Legislature together again.

"At all events, be that as it may, I feel that it would be dishonourable for myself to attempt to do business at an adjournment of the House, at which my colleagues had been told that no business would be done, and that they need not attend, and therefore I must decline to do so; and I protest at any attempt to do business, and I require the Government to fulfil the pledge made to me and to every member of the House, that Parliament would be at once prorogued.

"While I do this, I do not wish to interfere in any way with the right of the Government to call Parliament together whenever they think the exigencies of the country require it; they must be the judges of that, and be responsible for it; but let that be done in the usual way, that all may understand that it is their duty to attend; and when I, together with all my colleagues, am so called upon, I trust that I shall be found in my place, and I shall then feel that whether or not all my colleagues attend, they will not have been kept away by a pledge that they would not be required, and I could therefore honourably join in doing anything that the House might consider for the interests of the country.

"I have the honour to be, &c.,

"Sir John Macdonald,
"Minister of Justice, Ottawa."

"A. L. PALMER,
"Member for the City and County of St. John.

As far as my opinion is concerned, I am quite clear that it was the desire and expectation of Parliament that prorogation should take place at the time mentioned. Every member must have known that Sir John's announcement on the subject was an intimation of the pleasure of the Crown through its official organ in the House, and that the Prime Minister could only have made it after receiving my authority to do so. Formerly, the intentions of the Sovereign on this subject were conveyed to either Chamber by a written message, but though a verbal communication through the First Minister has been now substituted, it does not render this latter mode of communication less formal or official. Had therefore the House of Commons desired to prolong the Session beyond the 13th of August, its proper course would have been to have communicated its wishes to me by an Address. Though the fact that no motion to this effect was even suggested is sufficiently conclusive, there are other circumstances which indicate more or less distinctly the feeling of the House. The motion originally appointing the Committee, and carried on the 8th of April, ordered it to sit, "if need were, after prorogation," and more than one member of the Opposition urged the propriety of a Bill being introduced to enable it to do so. Clearly therefore, when this motion was carried and these suggestions made, the majority

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who passed the one and the individuals who proposed the other must have contemplated the probability of the Report of the Committee being considered, not in the present but in a subsequent Session of Parliament. Indeed, the mere fact of prorogation being fixed for the 13th of August implies this much, for it is not to be presumed that the House would have proceeded to consider the Report, until both it and the evidence upon which it was founded had been printed and distributed to members; but to enable this to be done an interval of a few days, after Parliament had reassembled and had received the Report, would manifestly have been required before action could have been taken upon it. If, therefore, Parliament had contemplated considering the Report during the current Session, it would have desired a later day to be fixed for prorogation than that on which the mere manuscript copy of the Report was to be laid on its table.

Again, when Mr. Dorion moved in amendment of the motion for the Committee's adjournment to the 2nd July, that "inasmuch as the Committee will have no power either to enforce the attendance of witnesses or to compel them to give testimony without the action of this House, it is essential to the proper conduct of the investigation that it should be prosecuted under circumstances that will admit of the prompt exercise of the authority of the House, it is therefore necessary that the House should sit on the day to which the Committee has leave to adjourn," the House decided against him by a majority of 101 to 66,—one of the Representatives from British Columbia, as I am informed, protesting against members from the more distant Provinces in the Dominion being required to return to Ottawa so late in the summer as the 2nd of July.

But the intention of the House is still further exhibited by the following circumstance. During the Session a Bill was passed increasing the indemnity paid in this country to Members of Parliament for their attendance. Into that Bill a clause was introduced to the following effect: "The said amendments shall apply to the present Session of Parliament, and if either House shall adjourn for more than thirty days such adjournment shall, for the purposes of such Act, be equivalent to a prorogation." This provision was intended by its authors to enable members to receive their salaries and travelling expenses on the 23rd May, the day on which Parliament adjourned, without having to wait for the 13th August, the day named for prorogation. I may also mention that the same day, i.e. on the 23rd of May, I came in state to the Senate Chamber to give my assent to the Bills of the Session; and in view of a progress I intended to make through the maritime Provinces during the summer, I provided, before leaving Ottawa, for the prorogation of Parliament by commission, in order to spare myself the labour and fatigue of a journey of 2,400 miles for what I understood would be a mere formality.

From the foregoing narrative your Lordship will probably agree with me in the conclusion that up to the time when the Houses adjourned, it was clearly the wish and the expectation of Parliament that prorogation should take place on the 13th August. And it is most natural that this should have been the case. The commercial business and the agricultural operations of the year have to be crowded into the five short months of summer. Almost every member of both Houses in this country is actively engaged in business pursuits requiring his personal attendance. To be detained from home at this season implies not only extreme inconvenience but pecuniary loss. Already the lateness of the current Session had bred considerable discontent, and it had been expressly determined by the House that in future the Session should never begin later than the first week of February. The distance from Halifax to Ottawa is something like 1,200 miles, from Victoria in British Columbia it is 4,000 miles. The reassembly of Parliament in August, for the transaction of business, would have cut up the entire summer, as far as many members were concerned, and would have been more or less inconvenient to all but those who reside within a day or two's journey of Ottawa. The majority in the House of Commons appear to have attached but little significance to Mr. Huntington's accusations, for they negatived his motion without even requiring my Ministers to reply to it, and I do not imagine that any one of them contemplated a renewal of the Session on the 13th of August. But though the conduct of the majority who confided in the Government is easily understood, the procedure of the members of the Opposition is more difficult to explain. They had in their possession, it is to be presumed, what they considered convincing proofs of the corruption of Ministers. The matter had been referred to the adjudication of a Committee, and according to the theory of the prosecution, could have but one result. Strong in these convictions, they should never have allowed the announcement of prorogation to have passed unchallenged, but should have resorted to every means known to the Constitution by which such a consummation could have been precluded. Indeed, so obvious was their duty in this respect, that their opponents have attributed to them a deliberate intention of allowing the dispersion of

the majority to take place *sub silentio*, with a view to the packing of a House with their own adherents on the day to which it had adjourned, an operation to them exceptionally easy, as the Parliamentary strength of the Ministers lies principally in the maritime and out-lying Provinces, while their own is close at home in the central region of Ontario and Quebec. The subsequent publication in the newspapers of the documents now known as the Allan and McMullen correspondence is pointed to as having been a move in aid of the same unworthy policy, by supplying a sudden and unexpected pretext for insisting on the immediate intervention of Parliament at a time when the Ministerial supporters were dispersed.

I do not, however, myself attach the slightest credit to this injurious insinuation. Although, undoubtedly, party strife is conducted in this country with less reticence and generosity than at home, and although the combatants "strike below the waistcoat" more frequently than could be wished, my personal knowledge of the leaders of the Opposition convinces me that such a design would be quite foreign to their natures. My own opinion is, that, from first to last, they found themselves impeded by the initial mistake in tactics—as I ventured at the time to consider it—committed by Mr. Huntington in not re-enforcing his motion by the production of some of the documents on which it was founded. Had he done so, Parliament would undoubtedly have listened to him with greater respect, and Mr. Dorion's motion might perhaps have been carried: for though Mr. Huntington's case is far from being proved, no one can now deny that if he was in possession of the Allan correspondence at the time he demanded his Committee, he had a right to require an investigation of the suspicious circumstances thus brought to his knowledge. The premature disclosure of his hand could not have been the objection, for a sufficiency of "*pièces justificatives*" for his purpose have since been produced. As it was, he could not convince the House of the urgency of the affair, and discouraged by their repeated defeats, the Opposition, I imagine, gave up all hopes of being able to persuade Parliament to dispute the arrangements of the triumphant Minister. Be that as it may, it is certain that the day after the adjournment, most of the members of both Houses dispersed themselves in different directions, some to their homes, some to the States, and some to Europe, without any more intention of returning to Ottawa, on the 13th of August, than myself.

On the 2nd July, Mr. Cameron's Committee met in Montreal, but in the meantime I had received an intimation from your Lordship that the Oaths Bill had been disallowed by the Queen in Council, and I had made the fact public by Proclamation.

Immediately on receipt of this intelligence, communications had passed between Sir John Macdonald and myself as to the course to be pursued. Sir John was inclined to issue a Commission to the members of the Committee, but as he hesitated to do so from an unwillingness to expose the Crown to the rejection of its mandate, I addressed him in the following terms:—

"The Citadel, Quebec, June 28, 1873.

"I beg to acknowledge the receipt of your letter of the 19th. I am sure you are quite right not to allow the Committee to be postponed beyond the time originally fixed for the opening of its proceedings.

"On the part of the Crown, I should have no objection to the offer of the Commission as you propose, and I think you may with perfect propriety act upon the presumption that the members of the Committee will accept the charge confided to them.

"The Government has stretched its legal conscience and encouraged Parliament, though not without warning, to exceed its legitimate powers in order to facilitate this inquiry. The obstacle now interposed is one with which you have no concern, and beyond your control. You propose to obviate the difficulty by the only means in your power—but a means both legitimate and effectual. No one can doubt that for the purpose for which the Committee was originally constituted, its conversion into a Commission can make no practical difference. As a Commission it will take evidence, and as a Committee it will report upon that evidence to the House. It would be unreasonable to allege that in discharging this double function, and in acquiring in addition to the powers delegated to it by Parliament, a technical authority at the hands of the Crown to take evidence on oath, it abates one tittle of its constitutional independence."

Thus authorized, Sir John communicated with Mr. Cameron in the following letter:—

"SIR,

"Montreal, July 2, 1873.

"As the Act which would have enabled the Committee now sitting in Montreal, of which you are Chairman, to examine witnesses on oath has been disallowed, as being beyond the competence of the Canadian Parliament, I desire to renew to you, as Chair-

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man of the Committee, the offer made by me on the part of the Government on the floor of the House of Commons, to issue a Royal Commission addressed to the gentlemen forming the Committee, which would confer upon them all the powers given to the Committee by the House of Commons, including the examination of witnesses under oath, and the power to send for persons, papers, and records, and containing the same provisions as to the votes of the members of the Committee and yourself as Chairman, as was ordered by the House. The acceptance of this Commission will enable this Committee to proceed with the inquiry, and the examination of witnesses on oath without any important delay. I shall cause a copy of this letter to be sent to each member of your Committee.

"I have the honour to be, your obedient servant,

"J. A. MACDONALD.

"To Hon. J. H. Cameron, &c., &c.

"P.S.—The Commission will contain a clause enjoining the Commissioners to report to the Speaker of the House of Commons.

(Signed) "J. A. MACDONALD."

The majority of the Committee are understood to have been willing to return a favourable reply to this proposal had their colleagues assented; but neither Mr. Dorion nor Mr. Blake considered themselves at liberty to accept the arrangement, and stated their reasons in the following terms:—

"SIR,

"I have the honour to acknowledge the receipt of your letter of the 2nd inst., received this morning, enclosing a copy of a letter addressed by you to the Hon. J. H. Cameron, Chairman of the Special Committee of the House of Commons, now sitting in Montreal, in which you state that, as the Act which would have enabled the Committee to examine witnesses under oath had been disallowed, as being beyond the competence of the Canadian Parliament, you desire to renew to him, as Chairman of the Committee, the offer made by you on the part of the Government to issue a Royal Commission, addressed to the gentlemen forming the Committee, which would confer upon them all the power given to the Committee by the House of Commons, including the examination of the witnesses by the Committee; but, as I understand your proposal, it is that the Government should give to the several members of the Committee named by the House of Commons to inquire into the charge made against it, a Commission to inquire into the same charges, with power to examine witnesses under oath, and this with a view to carry out the intention of the House, to have this inquiry made under oath. Now, I would beg to call to your attention that the Committee was originally named on your own motion, as an ordinary Parliamentary Committee, without reference to any authority to examine witnesses under oath, and that it was only on the suggestion of the Committee, subsequently made, that the House and Senate unanimously passed the Oaths Bill, although on more than one occasion you yourself made the suggestion, unheeded by the House, that a Commission might be issued instead of passing an Act to authorize the administering of oaths to the witnesses. This alone seems to me to be conclusive that the House of Commons, whose nominee I am on the Committee, did not intend that the inquiry should be carried on by a Commission appointed by the Executive, and responsible as such only to that Executive. It seems to me, moreover, that the authority which is sought to be conferred on the Committee to examine witnesses under oath cannot be attained by the issue of a Royal Commission, for, although the Commissioners appointed might examine witnesses under oath, it would not be as members of the Committee appointed by the House that they would do so, but as Commissioners, whose decisions and proceedings would be subject to the supervision and control of the Executive, under whom they hold their appointment, and not of the House. I have always been willing, as a Member of the House of Commons, to obey its commands in reference to any Parliamentary duties it might impose upon me. In that view I did not shirk the arduous and unenviable position of a member of this Committee of Inquiry, as being part of the labour and duty to which a Member of Parliament is bound to submit; but if, instead of moving for the appointment of a Committee by the House, the Government had proposed to name me on a Commission for the purpose of this inquiry, I would then certainly have declined the proposed Commission. I cannot see why I should now accept it, when it seems to me that the effect of issuing such a Commission would be to supersede the Committee, and more especially in view of the declaration you made immediately before the adjournment of the Session in reference to Mr. Blake and myself, that we should not have consented to serve on the Committee, that men in our positions in England would not

have done so, and that you could not expect any fair play at our hands. This alone should be a sufficient reason why I humbly believe I should not be called upon to accept a Commission from the Government of which you are the head, after your public declaration, made in my absence, of my unfitness to perform what the Commission would impose on me.

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"I have the honour, &c.,
(Signed) "A. A. DORION.

"To the Right Honourable Sir J. A. Macdonald."

"SIR,

"Montreal, July 3.

"I have the honour to acknowledge the receipt of your letter of the 2nd inst., enclosing a copy of a letter addressed by you to the Hon. Mr. Cameron, as Chairman of the Pacific Railway Inquiry Committee. I cannot agree in your statement that the acceptance of a Royal Commission would enable the Committee to proceed with the inquiry and the examination of witnesses on oath. The Committee is, I believe, unanimously of opinion that the acceptance of the Commission would not enable the committee to make progress, and that the action of the Commissioners (whether or not they be the same persons as those who constitute the Committee) would be entirely disconnected from the action of the Committee. Sharing their opinion, I am called on to consider whether I should accept the offer made by the Government, of a Royal Commission addressed to the gentlemen who happen to be members of the Committee, calling on them to inquire into the matters of charge preferred in the statement of Mr. Huntington. I believe that it would be of evil consequence to create the precedent of a Government issuing a Commission of Inquiry into matters of a charge against itself, the Commissioners being, as they are, subject to the direction and control of the accused. I believe that the acceptance of such a Commission would be opposed to the sense of the House of Commons, as manifested by its action last Session, and would, under present circumstances, be calculated to prejudice the inquiry ordered by the House, and to impair the full and efficient exercise of its most ancient and important powers. The House of Commons does not, I think, expect that the Crown or anyone else, least of all the members of its own Committee, will interpose between itself and the great inquiry which it has undertaken. Apart from these and other difficulties, you have yourself interposed a barrier to my acceptance of your offer. During my absence from the House of Commons last Session, you stated in your place that I had done wrong in not declining to fulfil the duty of Committeeman, which had been imposed on me by the House; that English statesmen in my position—which, however, you misstated—would have scorned to do as I had done, and that my speeches during the Session showed that your Government could not expect fair play from me on the inquiry. I shall not condescend to reply to these statements, but I have to say that, although I reluctantly came to the conclusion that I was not free to decline to serve the House of which I am a member, I do not think it consistent with my self-respect to accept the Commission here offered by a Minister who has chosen to so characterize my conduct. I have sent a copy of this letter to Mr. Cameron, for his information as Chairman of the Committee.

"I have, &c.,
(Signed) "EDWARD BLAKE.

"The Right Hon. Sir Jno. A. Macdonald."

I do not presume to question for a moment the propriety of the course adopted by these gentlemen. As Members of the House of Commons, they may have had a more acute appreciation of their Parliamentary obligations than had occurred to my apprehension,—but I trust that your Lordship will not consider that I acted wrongly in thus endeavouring to forward the inquiry by what I considered an opportune expedient.

The Committee being thus precluded from swearing in their witnesses, a motion was made by Mr. Dorion, supported by Mr. Blake, that they should content themselves with unsworn testimony, but the majority considering themselves debarred from this course by the express instructions of the House upon the point, they determined to adjourn until the 13th of August.

This resolution was taken on the 3rd of July. The day after there appeared in the 'Montreal Herald,' a series of letters and telegrams written by Sir Hugh Allan to a Mr. McMullen, and to a Mr. Smith of Chicago, and to some unknown person in the United States in reference to the Canadian Pacific Railway. The day following a long statement

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on the same subject in the form of an affidavit was issued by Sir Hugh Allan in another newspaper. I have already had the honour of forwarding to your Lordship both these documents, but I think it well to append them to this Despatch for convenience of reference. It is not necessary for my present purpose that I should either analyze or contrast the conflicting assertions observable in these productions. It will be sufficient to note that not only does Sir Hugh Allan admit upon oath that the language of his letters is "inaccurate" but he also denies in the most positive manner the correctness of the inferences sought to be deduced from them. On the whole, as far as I could gather from the tone of the press, and from conversation, these revelations rather improved than otherwise the position of the Ministry. On the one hand, Sir Hugh Allan's letters accounted for and justified Mr. Huntington's pertinacity; on the other, his affidavit—or rather, Sir John Macdonald's telegram quoted in the affidavit—satisfactorily proved that so far from yielding himself or allowing his colleague, Sir George Cartier, to yield to the pressure put upon him by Sir Hugh Allan in the height of the election contest, my Prime Minister had required the immediate and complete cancelling of an arrangement favourable to Sir Hugh to which Sir George had evinced a willingness to subscribe. In illustration of this point, I subjoin Sir George Cartier's letter as well as Sir Hugh Allan's reference to Sir John Macdonald's telegram concerning it.

"DEAR SIR HUGH,

"Montreal, July 30, 1872.

"I enclose you copies of telegrams received from Sir John A. Macdonald; and with reference to their contents I would say that in my opinion the Governor in Council will approve of the amalgamation of your Company with the Interoceanic Company, under the name of the Canadian Pacific Railway Company, the Provincial Board of the amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec by the Canada Pacific Railway Company, four from the Province of Ontario by the Interoceanic Railway Company, and the remainder by the Government; the amalgamated Company to have the powers specified in the tenth section of the Act, incorporating the Canada Pacific Railway Company, &c., the agreement of amalgamation to be executed between the companies within two months from this date.

"The Canada Pacific Company might take the initiative in procuring the amalgamation; and if the Interoceanic Company should not execute an agreement of amalgamation upon such terms and within such limited time, I think the contemplated arrangements should be made with the Canada Pacific Company under its Charter.

"Upon the subscription and payment on account of stock being made, as required by the Act of last Session, respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any Company will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the Company to be formed by amalgamation, or to the Canada Pacific Company, as the case may be.

"I would add, that as I approve of the measures to which I have referred in this letter, I shall use my best endeavours to have them carried into effect.

"Very truly yours,
(Signed) "GEO. E. CARTIER."

EXTRACT FROM SIR H. ALLAN'S AFFIDAVIT OF JULY 5TH.

"On the same day that I received the above letter from Sir George Cartier, I informed Sir John A. Macdonald of the contents of it, and asked for his sanction of the views which it contained. But he declined to concur in the terms of Sir George's letter, telegraphing to him that he would not agree to them, and that he would come down to Montreal and confer with him respecting them. Thereupon, I immediately informed Sir George Cartier that I should consider the letter addressed to me as being withdrawn; and to my knowledge Sir George telegraphed Sir John that he had seen me, and that as he (Sir John) objected to Sir George's letter it had been withdrawn. I also telegraphed to Sir John on the same day (July 31st) to the effect that I had seen Sir George Cartier,

and that he (Sir John) might return my letter or regard it as waste paper, and that I was satisfied with the telegram of the 26th as expressive of the views of the Government."

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But any reaction in favour of the Government which might have thus set in was more than counterbalanced by the appearance of another series of letters, which I also re-append, and which are now generally known as the McMullen correspondence. Amid these productions there have been introduced documents of a very compromising character, the one a letter from Sir George Cartier asking for twenty thousand more dollars (\$20,000 = 4,000*l.* sterling), and the other a telegram from Sir John Macdonald demanding an additional ten thousand dollars (\$10,000 = 2,000*l.* sterling). These latter I subjoin :—

" Montreal, Aug. 24, 1872.

" DEAR MR. ABBOTT,—In the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Committee with a further sum of twenty thousand dollars upon the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan of the 30th ultimo.

" GEORGE E. CARTIER.

" P.S.—Please also send Sir John A. Macdonald ten thousand dollars more on the same terms."

" (*Immediate, Private.*)

" Toronto, Aug. 26, 1872.

" I must have another ten thousand : will be the last time of calling ; do not fail me ; answer to-day.

" JOHN A. MACDONALD.

" To the Hon. J. J. C. Abbott, St. Anne's."

But for the appearance of the foregoing documents, I doubt whether so great an impression would have been produced on the public mind by the statement of Mr. McMullen. I myself have no knowledge of the gentleman, and have no right to impeach his veracity, but it is manifest that many of his assertions are at variance with Sir Hugh Allan's sworn testimony, while others have been contradicted by gentlemen whose credibility it would be difficult to impugn. Even with regard to the documents themselves, it is to be observed that they were neither addressed to Mr. McMullen nor to any one with whom he was associated, and that they could scarcely have come into his possession by other than surreptitious means. They do not therefore necessarily connect themselves with those nefarious transactions to which Mr. McMullen asserts he was privy. It is further contended by the friends of the Government that the sums mentioned or even referred to were not very large—about 12,000*l.* sterling in all—an amount which would go but a little way to defray the legitimate expenses of the 150 Ontario and Quebec Elections, and that there was nothing to show whether they had been proffered as a subscription or as a temporary loan from a wealthy political partisan. Their sinister significance resulted in a great measure from their factitious juxtaposition with Mr. McMullen's narrative. Under these circumstances, though without attaching too much importance to mere conjectural pleas of this kind, I was unwilling to jump to a hasty conclusion on a matter involving both the private and the public honour of my Ministers, and above all things I felt bound not to allow my judgment to be swayed by the current of popular suspicion which this concatenation of documents would naturally produce.

I happened to be at Prince Edward Island when the McMullen correspondence reached my hands, whither two of my Ministers—Mr. Tilley, the Minister of Finance, and Dr. Tupper, the Minister of Customs—had also come for the purpose of settling certain details consequent on the recent confederation of the Island. I immediately sent for these gentlemen, and the strenuous assurances I received from each of them confirmed my hope that matters might be satisfactorily explained. But, however that might be, I knew that our original programme for the indefinite prorogation of Parliament could no longer be adhered to, and that my presence at Ottawa on the 13th of August was imperative. Understanding, however, that preparations were in progress for our public reception at Halifax, I thought it better to proceed thither, and to make no announcement of my subsequent intentions until the last moment. At the same time I wrote to Sir John, and intimated to him that the position of affairs had changed since we parted—that a recess for the usual period was no longer possible, and that it was necessary Parliament should be provided with as early an opportunity as circumstances permitted of pronouncing upon the points at issue between himself and his assailants.

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On reaching Halifax, on the 29th July, I found the popular excitement all over the Dominion was intense, and that my supposed views, sympathies, and intentions were becoming not merely the subject of conjecture, but of assertion and comment in the rival newspapers,—the Government press stating, as if upon authority, that my course would be so and so,—announcements which were met by the Opposition prints with strong admonitory or rather minatory articles. As, at this time, I had by no means made up my mind as to the proper course to be pursued, and felt that no decision was possible until I had seen my Ministers, I determined to take an early opportunity of deprecating the introduction of the Governor-General's name into such a controversy. An occasion soon presented itself, and I have the honour to subjoin an extract from a newspaper report of a speech I made at a dinner given to me by the Halifax Club:—

* * * * * “And here, gentlemen, I should be disposed to conclude this imperfect expression of my thanks, were I not desirous of conveying to my friend the Chief Justice the great gratification I have derived from the remarks which have dropped from him in regard to my official position as Governor-General of this great Dominion. Gentlemen, I am well aware that this is, as it were, a domestic festival, and that nothing could be more inopportune than the slightest allusion to any political topic, but I may be permitted to say this much in reference to what has fallen from the Chief Justice, that if there is one obligation whose importance I appreciate more than other as attaching to the functions of my office, it is the absolute and paramount duty of maintaining not merely an outward attitude of perfect impartiality towards the various parties into which the political world of Canada as well as of the Mother-Country is divided, but still more of preserving that more subtle and inward balance of sympathy, judgment, and opinion which should elevate the Representative of your Sovereign above the faintest suspicion of having any other desire, aim, or ambition than to follow the example of his Royal Mistress in the relation she has constantly maintained towards her Ministers, her Parliament, and her people (tremendous applause); to remember every hour of the day that he has but one duty and but one object—to administer his Government in the interests of the whole Canadian people, and of the Dominion at large. (Great cheering.) Of course, gentlemen, having been but one brief year in the country, my character and my sentiments in these respects can scarcely be known; and there is always a danger during the fervour of these political controversies, which seem to be conducted by the press of Canada with peculiar liveliness and animation—(great laughter), of unauthorized references being made to the Governor-General's supposed sentiments, opinions, and intentions, which would convey to the uninstructed reader a very erroneous impression of the conduct and the attitude of the chief of the State. Gentlemen, I do not make this remark by way of complaint. If there is any person in Canada who has been kindly and considerately dealt with by the press, to whom the press of every political complexion has shown indulgence and good will, it is myself, and it is most natural and by no means an uncomplimentary circumstance that the organs of different shades of opinion should persuade themselves that the Governor-General must necessarily be of their way of thinking, and see through their spectacles. (Laughter.) But what I wish to say once for all, and I do not care how widely this remark is disseminated, is this—that there is no human being who is authorized to make any statement or suggestion as to what my opinion or sentiments may be in respect of any political topic, or who has ever been in a position, or is likely to be in a position, to make anything approaching to a conjecture upon points of this description. It is true, my object and my desire is to inform my mind upon every subject affecting the interests of the country, by conversation and by discussion with anyone who can afford me instruction or information; and it would be very unfortunate for me if this freedom of intercourse with all classes and parties in Canada, from which I derive so much benefit and pleasure, should be trammelled by the dread lest this casual intercourse should become the foundation for inference, comment, or conjecture in the press. No, gentlemen, I understand my duty too well ever to allow my judgment or my sympathies to be surprised into political partisanship. My one thought and desire is the welfare of Canada as a whole. To maintain her honour, to promote her prosperity, to do my duty by her and her entire people, is the sole object of my ambition. When I converse with your public men, it scarcely ever occurs to me to remember to what political party they belong. I only see in them persons devoting themselves, each according to his lights, to the service of his country. My only guiding star in the conduct and maintenance of my official relations with your public men is the Parliament of Canada. (Cheers.) In fact, I suppose I am the only person in the Dominion whose faith in the wisdom and the infallibility of Parliament is never shaken. (Great laughter.) Each of you, gentlemen, only believe in Parliament so long as Parliament acts according to your wishes—(cheers and laughter)—and convictions. I,

gentleman, believe in Parliament, no matter which way it votes—(laughter)—and to those men alone whom the deliberate will of the confederated Parliament of the Dominion may assign to me as my Responsible Advisers can I give my confidence. (Cheers.) Whether they are the heads of this party or of that party must be a matter of indifference to the Governor-General. (Cheers.) So long as they are maintained by Parliament in their position, so long is he bound to give them his unreserved confidence, to defer to their advice, and loyally to assist them with his counsels. (Applause.) Whenever, in the vicissitudes of party warfare, they are replaced by others—(laughter)—he welcomes their successors with an equally open and loyal regard. (Cheers.) Such private friendships as he may have formed he may have a right to retain. (Hear, hear.) As a reasonable being he cannot help having convictions upon the merits of different policies—(hear)—but these considerations are abstract, speculative, and devoid of practical effect on his official relations. (Cheers.) As the head of a constitutional State, as engaged in the administration of Parliamentary Government, he has no political friends; still less need he have political enemies. (Great cheering.) The possession, or even to be suspected of possessing either, destroys his usefulness. (Loud cheers.) Sometimes, of course, no matter how disconnected he personally may be with what is taking place, his name will get dragged into some controversy, and he may suddenly find himself the subject of hostile criticism by the press of whatever party may for the moment be out of humour. (Laughter.) But, under these circumstances, he must console himself with the reflection that these spasmodic castigations—(laughter)—are as transitory and innocuous—(great laughter)—as the discipline applied occasionally to their idols by the unsophisticated worshippers of Mumbo Jumbo—(immense laughter)—when their harvests are short or a murrain visits their flocks. (Cheers.) For, gentlemen, of this I am certain: although he may sometimes err in his judgment, or fail in serving you as effectually as he might desire, a Viceroy who honestly seeks to do his duty—(cheers)—to whom the interests of Canada are as precious and her honour as dear as his own—(immense cheering)—who steers unmoved an even course, indifferent to praise or blame, between the political contentions of the day—(cheers)—can never appeal in vain to the confidence and generosity of the Canadian people. (Immense applause.)”

But though keeping my final decision in suspense, my mind was much occupied, as your Lordship may imagine, with the consideration of the various courses open to me. On one point I was quite clear—namely, that it would not be right for me to countenance the settlement of the serious issues raised between my Ministers and their opponents—involving, as they did, the personal honour of the most eminent men in Canada, the fate of my Ministry, and the public credit of the country—except at the hands of a full Parliament, in which the distant Provinces of the Dominion were as well represented as those of Ontario and Quebec.

As I have already described to your Lordship in the earlier part of this Despatch, before Parliament adjourned on the 23rd of May I had caused it to be announced to both Houses that Prorogation would take place on the 13th of August. This arrangement, I have no hesitation in saying, was agreeable to what were then the views of the majority both in the Senate and in the Houses of Commons. On the faith of this pledge many gentlemen were gone to so great a distance that it was physically impossible for them to be recalled, and it so happened, from causes to which I have already referred, that by far the larger proportion of these absentees were supporters of the Government. All the members from British Columbia, except Sir F. Hincks, were on the wrong side of the Rocky Mountains. Some Ministerialists were in Europe, as I was informed, others in the States, and even to those in the Maritime Provinces, a return to Ottawa, though not physically impossible, as it was to their colleagues, would prove a great inconvenience at such a season. On the other hand, I learnt that the Opposition were mustering their full force, an operation for which they possessed certain geographical facilities. Were therefore the House of Commons to meet for the transaction of public business, it was evident that important votes might be passed, and decisions taken, contrary to the real sense of the country, and that my Ministers might justly complain that they were being unfairly treated, and their fate determined by a packed Parliament.

But apart from these practical considerations, a grave question of principle seemed to me involved. The Imperial Officer representing the Crown in the Dominion is the natural protector of the federal rights of its various Provinces as secured under an Imperial Act. The sanctity of the rights of any one of these Provinces is not affected by the number of its representatives or the amount of its population. In this view it is especially necessary that, in a country of such enormous distances, ample notice should be given of the times and seasons when Parliament is to sit; but if it be once admitted that the official “fixtures” which regulate the opening or closing of a Session and the

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conduct of public business are to be capriciously tampered with, and changed at so short a notice as to preclude the distant representatives from being present, it is evident much wrong and inconvenience would result, and the door be opened to a great deal of trickery at the hands of an unscrupulous Minister.

The foregoing considerations pointed pretty distinctly to prorogation as an inevitable necessity of the situation. Only one other alternative indeed either suggested itself then, or has occurred to me since, and that was another adjournment of the House to such a date as would suit the convenience of the absentees. At first, I confess this course appeared to me fairly practicable, but further reflection disclosed difficulties I had not at once seen. In the first place, this was an arrangement which I had not the power of enforcing, and I was confronted by the obvious reflection, that if the Government made a motion to that effect, it might be defeated or met with an amendment tantamount to a vote of want of confidence at the hands of the majority in presence, and I should then find myself landed in the very position which I was quite satisfied ought to be avoided. Even if the opponents of the Government were to refrain from taking so unfair an advantage of their numerical superiority, it was evident that in view of the adjournment preliminary issues would crop up of vital importance relative to the fresh instructions to be given to the Committee; for instance, whether the evidence was to be sworn or unsworn, and if the former, how the oath was to be administered—all of which would necessarily be decided in a manner unduly adverse to the Government, and in the absence of those who had an undoubted right to make their voices heard on the occasion. I was so anxious, nevertheless, to find some way of avoiding a course which I foresaw would be denounced, however unjustly, as an undue exercise of the Queen's prerogative, that I thought it desirable to make a suggestion in this sense to Sir John Macdonald, offering at the same time to become the channel of communication by which an understanding between him and his opponents might be arrived at. Sir John's reply was very much in the sense I had anticipated. He insisted upon the injustice of his Government being given over, bound hand and foot, to the tender mercies of their opponents in the absence of his supporters, whom he had dismissed to their homes with my sanction and with the acquiescence of Parliament. He called my attention to the fact that the Opposition organs, far from hinting at any compromise, were insisting on the fact that a quorum of Parliament could do anything that Parliament itself could do, and were evincing by unmistakable signs that they would show no quarter; that both Messrs. Blake and Dorian had endeavoured to persuade the Committee to content themselves with unsworn evidence, and that if Parliament met for business they would be in a position to pass an instruction to the Committee to that effect, that no man would be willing to risk his life, still less his honour, in the hands of witnesses released from the consequences of perjury and finally; that he would not feel himself safe in entering into any arrangements dependent upon the bona fides of those with whom I had suggested he should treat.

Unfortunately in this country party animosity is intense, and the organs of each side denounce the public men opposed to them in terms of far greater vigour than those to which we are accustomed in England. The quarrel at this moment is exceptionally bitter. The one party openly accuse the other of personal dishonour, while these regard their opponents as unscrupulous conspirators. As a consequence, a mistrust of each other's fair dealings—which I cannot believe to be justified on either hand—has been engendered, which would render the rôle of mediator under any circumstances extremely difficult. As it was, the former part of Sir John's representations, though not the latter, coincided too closely with what had occurred to my own mind to enable me to deny its cogency. There being, however, no further time for correspondence, I left Halifax on Saturday night, the 9th August, and arrived in Ottawa on the morning of Wednesday 13th. Had I been at liberty to have done so, I should have preferred starting sooner, but the town of Halifax had organized a series of popular demonstrations in our honour for Saturday afternoon, and it would have occasioned great dissatisfaction had I absented myself.

Before continuing my narrative, there is one incident connected with my stay at Halifax which perhaps ought to find mention here. Mr. Huntington sent me a sealed packet covered by an official communication to my secretary, which, as I understood from the gentleman who brought it, as well as from Mr. Huntington's letter, contained copies of the incriminatory documents in his possession. As the matters to which the papers referred had become the subject of a public investigation before a House of Commons' Committee, and as I was still uncertain what turn affairs might take, I did not consider it would be proper for me to take personal cognizance of these papers. I therefore returned the packet unopened to Mr. Huntington.

The 13th August was not only the day appointed for prorogation, but it was also the day to which the Committee of Inquiry had adjourned, but as far as I can gather from the subjoined Report of what occurred it came together to very little purpose. Indeed its whole procedure on this occasion is difficult of comprehension, in consequence, I suppose, of the meagreness of the only Report of what passed which I have been able to obtain. In the first place only four out the five members were present, and eventually another, Mr. Dorion, withdrew in the middle of a discussion, leaving what are considered the Government members in a majority. One of these, Mr. Blanchet, then proposed that they should report their proceedings to the House. Mr. Blake, in amendment of this suggestion, moved the adjournment of the Committee, which was carried—the result being that when the House met at three o'clock, as had been arranged six weeks before, for the very purpose of receiving the Committee's Report, no Report of any sort or description was forthcoming. The following is the account of the proceedings referred to:—

“Ottawa, Aug. 13.

“The Pacific Committee met at 11.30. Present: Messrs. Cameron, Blanchet, Blake, Dorion.

“At the request of Mr. Blake, the Resolution passed by the Committee at last meeting—that the Committee cannot proceed without further instructions from the House, was read.

“Mr. Blake moved that the said Resolution be rescinded.

“Yeas—Blake, Dorion.

“Nays—Cameron, Blanchet.

“Resolution lost.

“After some conversation as to the Committee making a Report to the House,

“The Chairman said if Mr. Dorion and Mr. Blake were not in favour of making a Report, and withdrew because they thought no Report should be made, the majority of the Committee would not make any Report.

“Mr. Dorion said he wanted a Report to be made, but did not concur with the majority.

“The Chairman—All we propose to do is simply to Report our proceedings to the House. If you don't like that Report, we need not make any at all.

“Mr. Dorion—If I move any amendment, I would stop the report from being made.

“The Chairman—It is impossible for me to tell the result of merely reporting our proceedings to the House; but if you don't think any Report of our proceedings should be made, I have no objection that it be so resolved. My own impression is that as we reported all our former proceedings to the House, there is no objection to our also reporting those which have taken place since the last meeting of the House.

“Mr. Dorion said he would not interfere with such a step.

“The Chairman—Then I suppose it is so resolved, and we have completed our business.

“Mr. Blake—No, there is a quorum present, and any amendment is in order. I move that the House be asked to give such instructions to the Committee as will enable them to proceed with the inquiry.

“Mr. Dorion here withdrew from the room, and the motion was carried unanimously by Messrs. Cameron, Blanchet, and Blake.

“Mr. Blake inquired of the Chairman—Do you propose to give the House communication of this Resolution?

“The Chairman—Not unless you move it to be done.

“Mr. Blake—Do you propose to communicate any of the previous proceedings?

“The Chairman—I do not.

“Mr. Blanchet—I think we should report our proceedings. I move that the proceedings of the Committee since 17th May last be reported to the House.

“Mr. Blake—I move an amendment that the Committee adjourn till eleven o'clock to-morrow.

“Carried.

“Yeas—Blake, Cameron.

“Nay—Blanchet.

“The Committee then adjourned.”

A few hours after my arrival in Ottawa, Sir John Macdonald called upon me by appointment, and formally submitted the unanimous advice of my Ministers, that Parliament should be prorogued according to the announcement made by my authority

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in both Houses previous to its adjournment. After some conversation, in which we went over the whole ground, and again examined the suggestion contained in my letter relative to an adjournment, I finally announced to him, that on a due consideration of all the circumstances of the case, the prorogation of Parliament seemed to me inevitable,—that I did not feel myself justified in withdrawing my confidence from Ministers, or in concluding that Parliament had done so, and that therefore I was prepared to be guided by the counsels of himself and his colleagues,—but that I must formally insist on one condition as the price of my assent to prorogation, viz.:—that Parliament should be again convoked within as short a period as was consistent with the reasonable convenience of members, and that I considered six or eight weeks was as long an interval as should intervene before the House re-assembled. Sir John Macdonald did not offer any objection to this proposition—indeed he had already volunteered a suggestion to a similar effect,—and it was agreed that I should meet my Council at two o'clock, in order that it might be ratified in the presence of all my Ministers.

At one o'clock, however, I was unexpectedly informed that a deputation of members of Parliament was desirous of waiting upon me with a Memorial against prorogation. I had not received the slightest intimation of the intention of these gentlemen, yet, although I felt the propriety of such a step upon their part was very questionable, I concluded to receive them.

In the meantime I had repaired to the Council Chamber, as agreed upon, where my Ministers jointly re-submitted the advice they had commissioned Sir John Macdonald to convey on their behalf in the morning. I made the same reply to them as to my Prime Minister, and the re-assembly of Parliament within the time specified was agreed upon. It was, however, suggested that if ten weeks were named as the limit instead of eight, it would be possible to get the preparation of the Estimates sufficiently advanced to roll two Sessions into one, and dispense with the usual Spring Session. Although I was scarcely in a position to know how far this proposal was practicable or would be acceptable to Parliament, it would evidently prove such a saving of expense to the country and of fatigue and inconvenience to members, many of whom would otherwise scarcely have time to return to their homes at all, between an autumn and the usual Session, that I consented to the additional fortnight upon the specific understanding, however, that if in the interval anything should occur which, in my opinion, required Parliament to meet sooner, an expression of my wishes to that effect would be at once acted upon without comment or discussion.

These matters being settled, I returned to where the deputation of remonstrant members was waiting for me. They were introduced by their Chairman, Mr. Cartwright, a gentleman for whom I have a great esteem. In presenting the Memorial, Mr. Cartwright stated that it had been signed by ninety-two members of Parliament, and that another gentleman had intimated his willingness to have his signature attached to it. I found, however, on examining the document, that three of the ninety-two signatures had been affixed by deputy, though, of course, with the full authority of their owners. I note the circumstance, however, as I shall have occasion to refer to it hereafter.

As my interview with my Council had occupied some little time, it had not been possible for me either to study or to write my reply to the Memorial. I was therefore forced to make Mr. Cartwright and his friends an extempore answer, which was afterwards reduced to writing as nearly as possible in the terms actually used. This document, together with the Members' Remonstrance, I subjoin for your Lordship's information.

MEMORIAL.

"The undersigned members of the House of Commons of Canada desire respectfully to approach your Excellency and humbly to represent that more than four months have already elapsed since the Honourable Mr. Huntington made, from his place in the House, grave charges of corruption against your Excellency's Constitutional Advisers in reference to the Pacific Railway contract; that although the House has appointed a Committee to inquire into the said charges, the proceedings of this Committee have, on various grounds, been postponed, and the inquiry has not yet taken place; that the honour of the country imperatively requires that no further delay should take place in the investigation of charges of so grave a character, and which it is the duty and undoubted right and privilege of the Commons to prosecute.

"The undersigned are deeply impressed with the conviction that any attempt to postpone this inquiry, or to remove it from the jurisdiction of the Commons, would create this most intense dissatisfaction; and they therefore pray your Excellency not to prorogue Parliament until the House of Commons shall have an opportunity of taking

such steps as it may deem necessary and expedient with reference to this important matter.

"The number of names signed to this document is ninety, within ten of one-half the House. They are as follows:—

"OPPOSITION.—Anglin, Archibald, Bain, Bechard, Bergin, Blain, Blake, Bodwell, Bourassa, Bowman, Boyer, Brouse, Buell, Burpee (Sanbury), Cameron (Huron), Cartwright, Casey, Casgrain, Cauchon, Charlton,* Church, Cockburn (Muskoka), Cook, Cutler, Delorme, St. George, Dorion, Dorion, Edgar, Ferris, Findlay, Fiset, Fleming, Fournier, Galbraith, Geoffrion, Gibson, Gillies, Goudge, Hagar, Harvey, Higginbotham, Holton, Horton, Huntington, Jetté, Laflamme, Landerkin, McDonald (Glengarry), McKenzie, Mercier, Metcalf, Mills, Oliver, Paquet, Paterson, Pearson, Pelletier, Pickard, Poser, Provost, Richard, Richards,* Ross, Ross, Ross, Ross, Rymal, Smith (Peel), Snyder, Stirton, Taschereau, Thompson, Thomson,* Tremblay, Trow, White (Halton), Wilkes, Wood, Young, Young.

"MINISTERIALISTS.—Burpee (St. John), Coffin, Cunningham, Forbes, Glass, Macdonell, (Inverness), Ray, Schultz, Sriver, Shibley, D. A. Smith (Selkirk), A. J. Smith (Westmoreland)."[†]

REPLY.

"GENTLEMEN,—It is quite unnecessary for me to assure you that any representations emanating from persons possessing the right to speak on public affairs with such authority as yourselves, will always be considered by me with the greatest respect, even had not circumstances already compelled me to give my most anxious thought to the matters to which you are now desirous of calling my attention.

"You say, in your Memorandum, that four months have elapsed since the Hon. Mr. Huntington preferred grave charges of corruption against my present Advisers, in reference to the Pacific Railway contract, and that although the House has appointed a Committee to inquire into these charges, the proceedings of this Committee have on various grounds been postponed, and the inquiry has not yet taken place.

"Gentlemen, no person can regret more deeply than I do these unfortunate delays, the more so as they seem to have given rise to the impression that they have been unnecessarily interposed by the action of the Executive.

"It may be premature at this moment to enter into a history of the disallowance of the Oaths Bill, but this much, at all events, it is but fair to everyone that I should state, viz. that immediately after I had assented to that Act, I transmitted a certified copy of it to the Secretary of State, in accordance with the instructions by which I am bound on such occasions. That, leaning myself to the opinion (an opinion founded on the precedent afforded by the Act of the Canadian Parliament, which empowers the Senate to examine witnesses on oath), that the Act was not ultra vires, I accompanied it by a full exposition of the arguments which could be urged in its support; but on the point being referred by the Secretary of State for the professional opinion of the Law Officers of the Crown, it was pronounced inconsistent with the Act of Confederation, and that therefore the postponement of the inquiry, so far as it has arisen out of this circumstance, has resulted wholly by the operation of law, and has been beyond the control of anyone concerned.

"You then proceed to urge me, on grounds which are very fairly and forcibly stated, to decline the advice which has been unanimously tendered to me by my Responsible Ministers and to refuse to prorogue Parliament; in other words you require me to dismiss them from my counsels; for, gentlemen, you must be aware that this would be the necessary result of my assenting to your recommendation.

"Upon what grounds would I be justified in taking so grave a step?

"What guarantee can you afford me that the Parliament of the Dominion would endorse such an act of personal interference on my part?

"You yourselves, gentlemen, do not form an actual moiety of the House of Commons, and I have no means therefore of ascertaining that the majority of that body subscribe to the opinion you have enounced.

"Again, to what should I have to appeal in justification of my conduct?

"It is true grave charges have been preferred against these gentlemen; charges which

* The names thus noted were signed by proxy.

† The above classification is founded on the votes taken on Mr. Huntington's motion. One or two gentlemen however, classed with the Opposition might be more properly set down as "Independent."

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I admit require the most searching investigation; but as you yourselves remark in your Memorandum, the truth of these accusations still remains untested.

"One of the authors of this correspondence which has made so painful an impression upon the public, has admitted that many of his statements were hasty and inaccurate, and has denied on oath the correctness of the deductions drawn from them.

"Various assertions contained in the narrative of the other have been positively contradicted.

"Is the Governor-General, upon the strength of such evidence as this, to drive from his presence gentlemen who for years have filled the highest offices of State, and in whom, during the recent Session, Parliament has repeatedly declared its continued confidence? It is true certain documents have lately appeared in connection with these matters of grave significance, in regard to which the fullest explanation must be given, but no proof has yet been adduced which necessarily connects them with the culpable transactions of which it is asserted they formed a part, however questionable they may appear, as placed in juxtaposition with the correspondence to which they have been appended by the person who has possessed himself of them.

"Under these circumstances, what right has the Governor-General, on his personal responsibility, to proclaim to Canada—nay, not only to Canada, but to America and Europe, as such a proceeding on his part must necessarily do—that he believes his Ministers guilty of the crimes alleged against them? Were it possible at the present time to make a call of the House, and place myself in a direct communication with the Parliament of the Dominion, my present embarrassment would disappear, but this is a physical impossibility. I am assured by my Prime Minister, and the Report of the proceedings at the time bears out his statements, that when Parliament adjourned it was announced by him, as the leader of the House, that the meeting on the 13th of August would be immediately followed by prorogation; that no substantive objection was taken to this announcement; and that, as a consequence, a considerable portion of your fellow-members are dispersed in various directions. I should therefore only deceive myself were I to regard the present Assembly as a full Parliament.

"Since the adjournment, indeed, circumstances have occurred which render your proximate re-assembly highly desirable, but in this country there are physical circumstances which necessarily interpose a considerable lapse of time before the representatives of the various Provinces comprising the confederated Parliament of Canada can assemble, separated as some of them are by thousands of miles from the capital of the Dominion.

"In regulating the times and seasons when Parliament is to be called together, the Executive is bound not only to consider the reasonable convenience of these gentlemen, but also to protect the federal rights of the Provinces which they represent, and under these circumstances I have concluded, on the advice of my Ministers (and even if I differed from them as to the policy of such a course, which I do not, it is a point upon which I should not hesitate to accept their recommendation), to issue a Royal Commission of Inquiry to three gentlemen of such legal standing, character, and authority, as will command the confidence of the public, by virtue of the powers conferred upon me by the Act 31 Vict., cap. 38. On the other hand, I have determined in proroguing Parliament to announce to the members of both Houses my intention of assembling them immediately after the Commission in question shall have concluded its labours. By these means an opportunity will be afforded for the preliminary expurgation of these unhappy matters before a tribunal competent to take evidence on oath; ample opportunities will be given to the members of the more distant Provinces to make their preparations, in view of an autumnal Session; and within two months or ten weeks from this date a full Parliament of Canada will take supreme and final cognizance of the case now pending between my Ministers and their accusers.

"Gentlemen, the situation we have been discussing is one of great anxiety and embarrassment, but I cannot but hope that on a calm retrospect of the various considerations to be kept in view, you will come to the conclusion that in determining to be guided by the advice of my Ministers on the present occasion—in other words, in declining to act as though the charges which have been advanced against them were already proven, and in adhering to arrangements upon the faith of which many of your colleagues are absent from their places—I have adopted the course most in accordance with the maxims of constitutional government, and with what is due to those whom the Parliament of Canada has recommended to my confidence."

After the members had retired, it had become time for me to proceed to the Senate Chamber, and about half-past three o'clock the Speaker appeared at the Bar, and Parliament was prorogued. Considerable excitement, I am informed, prevailed in the House

of Commons, and cries of "Privilege" were uttered, when Black Rod made his appearance; but, as far as I can learn, nothing was done or said incompatible with the dignity and self-respect of that Assembly. Only the Ministerialists present, about thirty-five in number, accompanied the Speaker to the Senate Chamber. The Opposition, amongst whom, on this occasion, I suppose must be included thirteen of the ordinary supporters of my Government who had signed the Memorial, remained behind in their places. Upwards of seventy members in a House of two hundred must have been absent—all of whom, with the exception of three, were claimed by Government as their adherents.

In the evening, what is popularly known as an "indignation" meeting was held, under the presidency of Mr. Mackenzie. I have appended to this Despatch a Report of its proceedings.

I have thus recounted, in as faithful language as I can command, the various circumstances connected with the recent prorogation. In doing so, your Lordship will perceive that I have not attempted to discuss, still less to defend, the action of my Ministers on any of the occasions referred to, except so far as the justification of their conduct follows as a corollary to the vindication of the attitude I myself have assumed. The propriety of their procedure is a matter which they will have to settle with the Canadian Parliament. My contestation would be, that the fact of their being hereafter proved innocent or guilty of the accusations alleged against them, or of having acted judiciously or the reverse, is a result which can have no relation to my share in these transactions, and that, given the circumstances in which I found myself, I have acted in the highest interests of the Parliament and of the people of Canada. In the same way, if from time to time I have argued against any of the views maintained by the Opposition, it has only been as contending against their implied condemnation of what I myself have done or said.

Were I to be put upon my defence, my best justification would be found in a review of whatever other courses may be considered to have been possible, but this inquiry has been pretty well exhausted in the course of the preceding statement. The alternatives I have seen suggested by those who are disposed to criticise my conduct are indeed very few. The morning after the news of the prorogation had reached Toronto, but before my pledge in regard to an autumn Session was known, the 'Globe'—a recognized organ of the Opposition, and one of the ablest conducted papers in Canada—in lamenting the prospect of a recess which was to last till February of next year, observed that "a prorogation for two or three weeks would have been a proper course." As I had actually anticipated the pith of these suggestions (for the question of a few extra weeks, I apprehend, could not have become any grave cause of complaint), I naturally might have expected to have been complimented on my action; but although this paper and all the other Opposition journals in Canada have, with a few exceptions, shown great forbearance to me personally—considering the excitement which prevailed and the forcible language in which leading articles are written—I am afraid I must admit to your Lordship that its subsequent allusions to my procedure have not been eulogistic.

But if a short prorogation was wrong, what were the alternatives? An adjournment. But an adjournment is an act of the House, and cannot be compelled by the Executive. The leader of the House had already rejected the suggestion, and not the slightest intimation had ever reached me that such an expedient would be agreeable to the Opposition. On the contrary, their last word within an hour of the time the House was to meet, as conveyed to me by the ninety-two members, amongst whom were Mr. Mackenzie and Mr. Blake, was—"Let us meet and proceed to business as though we were a fully constituted Assembly representing the collective will of the people."

But it has been suggested that I should, on the one hand, have compelled the acquiescence of Sir John Macdonald in an adjournment by refusing to prorogue, while on the other Mr. Mackenzie ought to have been driven into the arrangement under a threat of prorogation.

Now I am quite ready to admit, that one of the functions of a Governor-General is to moderate the animosities of party warfare, to hold the balance even between the contending parties, to see that the machinery of the Constitution is not unfairly strained for party purposes, to intervene with his counsels at opportune moments, and when desired by his Ministers to become the channel of communication with their opponents, or even, though uninvited, to offer himself as negotiator in a difficulty. But the rôle marked out for me above is very different from this. I certainly should not have considered it consistent with my personal honour to have approached my Prime Minister with a threat I had no intention of executing, even had I seen less clearly than I did the objections to the course proposed, while, except at his instance, I should have been still less justified in opening communications with the Opposition. But as I have already

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explained, the mere negotiation of an adjournment would not have advanced matters in any degree, unless the issues relative to the future proceedings of the Committee could have been settled at the same time; but the divergencies of opinion upon these points were irreconcilable, and could never have been satisfactorily dealt with except by the House in full Session.

If then my choice lay—which seems to be admitted—between a short prorogation and a barren adjournment for a similar period, I do not think it can be disputed that the former was the preferable of the two.

Of course it was always open to me to have dismissed my Ministers, and to have taken my chance of Parliament approving my conduct, but I did not feel myself warranted in hazarding such a step on the data before me. Indeed, the rashness and injustice of the proceeding would probably have aroused such a feeling of dissatisfaction in the minds of what I have no reason to know may not prove the majority of the constituencies that there would have been a great chance—if Sir John and his friends came at all decently out of the affair—of their being borne back into office on the shoulders of the people. If wholly exculpated, your Lordship can imagine what my position would become in presence of the reaction that would have ensued. At all events, as I told the remonstrant members in my reply, I was not prepared by publicly withdrawing my confidence from my Ministers, to proclaim to Canada, to America, and to Europe that I believed untried men guilty of such atrocious crimes as those imputed to them. It is, however, not necessary to debate this line of conduct, as no responsible person in this country has ventured to recommend it.

But though not directly suggesting the dismissal of my Ministers, it has been very generally contended that I should have considered them under a ban, and should have ceased to act on their advice, though still retaining them in office. The establishment of a relationship of this kind between the Crown and its Ministers would be a novel fact in constitutional history, and might have proved difficult of execution. I was to go to my Council and say to them, “Gentlemen, you state that in your opinion the Crown has pledged itself to Parliament to prorogue on a certain day; you assert as a matter of fact that relying on this pledge sixty or seventy members are not in their places, and that to allow the House to proceed to business in their absence would be a gross impropriety, to which you would not consent, and that in view of this circumstance as my Constitutional Advisers, placed about me by the will of Parliament, you unanimously advise me to prorogue. Well, gentlemen, when Parliament last voted, you possessed a commanding majority: whether you have lost the confidence of Parliament or not I cannot tell. You say you have not. Others say you have. Your political opponents have brought grave accusations against you. You are therefore under a ban. You have forfeited my confidence. I do not intend to take your advice, except on mere questions of administration, but—pray retain your places.” To which, of course, these gentlemen would have replied:—“We are highly sensible of your Excellency’s forbearance, perhaps you will favour us with a list of subjects on which you will accept our recommendation, as well as an index expurgatorius of those which are tabooed. The arrangement will lighten our responsibilities, our salaries will remain the same, and our honour”—I cannot exactly conjecture how the sentence would have concluded. But the suggestion that my refusal to take their advice on prorogation would not have been tantamount to a dismissal of them, is too untenable to need refutation.

Before, however, closing this head of the discussion it may be well to examine the grounds on which it is alleged I ought to have withdrawn my confidence from Sir John Macdonald and his colleagues.

In order to answer this question, we must inquire what I had to go upon? There were Mr. Huntington’s statements as displayed in his motion—but these statements were not statements of facts, but of conclusions drawn from facts within Mr. Huntington’s knowledge perhaps, but not within mine, and offered no safe foothold. Next there were Sir Hugh Allan’s statements, but upon which was I to found myself,—upon those in Sir Hugh’s letters, in which he admits there was a good deal of “inaccurate” language, or upon those in his affidavit? If upon the latter, could I have pronounced the Government guilty? Then there were Mr. McMullen’s statements,—but these have been much questioned, and many of them have been contradicted. I do not think the people of Canada would be willing to allow the reputation of any of their representative men to be staked upon evidence of this nature. Lastly, there were Sir George Cartier’s letter, and Sir John Macdonald’s telegram. In respect to these documents, I would merely observe that, suspicious as they might appear, no man would have been justified in acting upon any conclusion in regard to them, until it had been shown with what transactions they were connected. There is as yet no evidence to prove that the sums

referred to were consideration moneys for the Pacific Railway Charter; and Sir Hugh Allan states upon his oath that they were not, as will be seen from the subjoined extract from his affidavit:—

“In these and similar ways I expended sums of money approaching in amount those mentioned in those letters, as I conceive I had a perfect right to do; but I did not state in those letters, nor is it the fact, that any portion of those sums of money were paid to the members of the Government, or were received by them or on their behalf directly as a consideration in any form for any advantage to me in connection with the Pacific Railway contract.”

On the other hand, what were the countervailing facts within my knowledge? The theory of the prosecution “is that the terms of the Charter were corruptly modified to “the advantage of Sir Hugh Allan and his American confederates.” Has the bargain been carried out? Certainly not, as far as the Americans are concerned. Their complaint is that they have taken nothing by their motion. I was myself a witness of the pains taken to exclude them when the Charter was being framed. Have Sir Hugh Allan and his friends been gratified with that control over the concern to attain which Mr. McMullen asserts he bribed my Ministers? This is a fact less easy to elucidate, but I myself believe that he has not. At moments when Sir John Macdonald could not have been playing a part he gave me repeated indications of his desire to prevent Sir Hugh from obtaining any commanding influence on the direction. That direction was framed with a view to a proper representation upon it of every Province in Canada, regard being had to the wealth and population of each. It numbers amongst its members gentlemen who had been on the direction of the late Inter-oceanic Company, and it includes the names of men whom everyone would acknowledge would never willingly associate themselves with any dishonourable enterprise. It is difficult to believe that these personages are either the willing or unconscious tools of Sir H. Allan. Hence, we must arrive at the inference that, at all events, if the crime was imagined, it can scarcely have been consummated. This would not in the least excuse its authors, but if a thing has not been done, the fact affords *primâ facie* grounds for believing that it was not intended to be done. Lastly, I have received the most solemn assurances from my Ministers, both individually and collectively, on their word as men of honour, and on their fealty to the Crown as my sworn Councillors, that they are absolutely innocent of the things laid to their charge.

On a balance of the foregoing considerations, can anyone say that I should have been justified in deliberately violating my first duty as a constitutional ruler on a premature assumption of the guilt of these gentlemen?

But a still more important question remains behind. Had I any means of knowing that my Ministers had forfeited the confidence of the House of Commons,—for, of course, if this were the case, any inward impressions of my own would cease to be elements of the problem?

What were the facts upon which I could rely? During the whole of the preceding Session the Government had marched from victory to victory, as will be seen by the subjoined record of votes taken on test divisions:—

7th March, majority for Government .	-	-	-	-	-	-	-	16
18th do. do. do.	-	-	-	-	-	-	-	25
2nd April, do. do.	-	-	-	-	-	-	-	31*
17th do. do. do.	-	-	-	-	-	-	-	26
7th May, do. do.	-	-	-	-	-	-	-	31
8th do. do. do.	-	-	-	-	-	-	-	33
12th do. do. do.	-	-	-	-	-	-	-	24
16th do. do. do.	-	-	-	-	-	-	-	35

They had left off with a majority of 35 at their command. The ordinary presumption would be that their supporters still adhered to them. Had anything occurred to invalidate this conclusion? The publication of the documents I have referred to? Judging from the process of thought in my own mind, which compelled me to suspend my verdict, I could not bring myself to believe that Parliament had jumped to any premature conclusion. But I had one other indication to assist me. Ninety-two Members of Parliament declared themselves opposed to the views of Ministers on prorogation. Where were the other one hundred and seven, and what were their opinions? Of the thirty-five or forty who were in their places, not one took steps to make me aware that

* Mr. Huntington's motion.

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they had ceased to support the Government. Their names were conspicuously absent from the Memorial. The sixty or sixty-five members who were away cannot complain if I have interpreted their absence as an indication that they endorsed the policy of Government, so far at least as prorogation was concerned. That the memorialists were so many and no more was in itself significant, for it gave the measure of the effort made and the maximum result. They were not even a moiety of the House. They were a minority, and therefore not in a position to acquaint me with the wishes of the majority, or to speak in behalf of Parliament at all. So acutely was the force of this fact felt that within a very few days after prorogation, it was industriously circulated by all the Opposition newspapers, that in refusing to acquiesce in the suggestions of the signatories of this Memorial, I had flown in the face of a "*majority*" of the House of Commons. It is said that hypocrisy is the homage paid by vice to virtue. The pertinacity with which this mis-statement has been propagated, I cannot but regard as a homage to the strength of my position. But not content with this, some papers have even gone farther and stated positively that other gentlemen, friends of the Government, waited upon me the same day and held language similar to the remonstrants—an assertion for which there is not the slightest foundation, for on that day, up to three o'clock, with the exception of the Speaker, the remonstrant members themselves, and my Ministers, I had neither spoken to or heard from a single Member of Parliament.

But it has been subsequently argued, that inasmuch as no division ever took place in a perfectly full House, ninety-two signatures implied a practical majority,—as though my appreciation of what should constitute a majority is to be regulated by my estimate of the cogency of the respective whips. If, however, we are to count noses with such particularity, let us see how the case stands. I admit that the numerical strength of a House is always in excess of its voting power. There will always be accidental vacancies. But the ranks of each side are equally liable to be thinned by casualties. What was the voting power represented by this Memorial? It is true, on the word of the Chairman, I took 93 as the number of persons on whose behalf he spoke, but the actual signatures at the time I had to decide on my course were only 92. Of these, three were affixed by proxy, reducing the momentary voting strength of the body represented to 89; for it is to be presumed that, unless detained from Ottawa, the remaining gentlemen would have signed with their own hands. Now, if we double 89 we get a House of 178, and no later than last Session 183 names appeared on a division list,—so that the 89 remonstrants represented only a minority of the House even on this principle of reckoning. But during the whole of last Session Government had a large majority, a condition of affairs which superinduces a laxity of attendance. Had the two parties been more evenly balanced, had victory depended on only a few votes, the muster of members would have been inevitably stronger, and the maximum division list of 183 undoubtedly exceeded.

But I am not prepared to admit that a Governor-General would be justified in taking so serious a step as was then urged upon me, on the strength of a Memorial signed even by a majority of Members of Parliament. Except so far as bringing a certain amount of pressure to bear upon him for a momentary purpose, a document of this nature is quite inconsequential. It would prove so much waste paper in the presence of a different mandate from the constituencies of many of these gentlemen, and when the time for voting arrived the Governor who relied upon it might very well find a considerable proportion of its signatories on the wrong side of the division list, with a dozen plausible excuses for their having played him false. Indeed, within a couple of hours after the deputation had left my presence, I was assured on trustworthy authority that some of these very persons had openly stated that in signing the Memorial they by no means intended to signify that they withdrew their support from Government.

It is further to be remembered that, although I was in Ottawa at six in the morning, I heard nothing of this Memorial until one o'clock, that three was the hour at which Parliament met, that the gentlemen bringing it must have known that its presentation and perusal must have occupied some time, and that I was bound to communicate it to my Ministers; yet it was upon the strength of a document of this nature, presented in this fashion, when my speech from the Throne was in the hands of the printers, and the guard of honour under arms, that I was expected to take a step which, under such circumstances, must have inevitably led to a change of Government, and possibly a general election.

I have one further point to mention, and I have done. It is a favourite theory at this moment with many persons that when once grave charges of this nature have been preferred against the Ministry, they become ipso facto unfit to counsel the Crown. The practical application of this principle would prove very inconvenient, and would leave not only the Governor-General, but every Lieutenant-Governor in the Dominion very

thinly provided with Responsible Advisers; for as far as I have been able to seize the spirit of political controversy in Canada, there is scarcely an eminent man in the country on either side whose character or integrity has not been, at one time or another, the subject of reckless attack by his opponents in the press. Even your Lordship and Mr. Gladstone have not escaped, for it has been more than insinuated that the Imperial Government have been "got at" by Sir John Macdonald, and that the law officers of Her Majesty were instructed to condemn the Oaths Bill contrary to their legal convictions.

In conclusion, I desire to call your Lordship's attention to the fact that in this Despatch I have made no allusion to the Royal Commission, which I have just issued under the advice of my Ministers.

My desire is to keep the transactions relating to the prorogation of Parliament and to the issue of the Commission entirely distinct. These two events are quite disconnected and independent. The reasons which induced me to agree to the prorogation of Parliament had to be considered without reference to the effect of prorogation on the Committee, or at least they appeared sufficiently cogent to overpower any countervailing arguments founded on the necessity of keeping the Committee alive. However much I might have desired to do so, I could not have treated Parliament as a pregnant woman, and prolonged its existence for the sake of the lesser life attached to it. If I have satisfied your Lordship that prorogation under the circumstances was the proper course, the extinction of the Committee was an ill effect with which I had no concern. It is necessary to keep this consideration very clearly before our eyes, otherwise a confusion of ideas will ensue prejudicial to a correct judgment of the case. The extinction of the Committee is being denounced as the worst feature in the transaction by persons who are ready to admit that prorogation was perhaps a necessity, and they insensibly transfer their dissatisfaction with the result to the circumstance which occasioned it. The same class of minds probably conjecture that the destruction of the Committee was the main inducement with my Government for insisting on prorogation; but with speculations of this kind I have nothing to do. I prorogued Parliament for what I considered not only full and sufficient, but imperative reasons. The subordinate consequences incident to the transaction do not therefore come under review.

There is one further point it may be well to remember. I see it is asserted that the Government purposely kept its sixty members away. Of course I have no means of knowing how far this may have been the case. It is probable that having concluded that the Session could not be prolonged, my Ministers may have notified their followers to that effect; but it is an indisputable fact that the absence of a considerable proportion was unavoidable.

In another Despatch I propose to address your Lordship on the subject of the Commission.

I have, &c.,
(Signed) DUFFERIN.

The Earl of Kimberley,
&c. &c. &c.

Enclosure 1 in No. 4.

Montreal, July 18.

The following letter has been addressed by Sir Francis Hincks to the 'Gazette,' and will appear in that paper to-morrow morning:—

"To the Editor of the 'Gazette.'

"SIR,

"Although reluctant to anticipate the formal inquiry into Mr. Huntington's charges, I cannot allow the statement made in the 'Herald' of yesterday by Mr. Geo. W. McMullen to remain unnoticed. In all my proceedings regarding the construction of the Pacific Railway, I have been governed by an opinion, early expressed and never modified, which was that, if the construction of that work was undertaken by proper parties, the Government and the country, instead of thinking that they had conferred a favour on such parties, should feel deeply indebted to them. I shall at present confine my remarks on Mr. McMullen's letter to what affects myself here personally. I have a distinct recollection of Mr. McMullen's visit to Ottawa in July, 1871. He was accompanied by Mr. Smith, of Chicago; Mr. James Beaty, jun., barrister, of Toronto; Mr. Waddington,

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and Mr. Kersteman. They were bearers of an informal proposal for undertaking the work, and it is true that they had the names of several parties of the highest respectability. Mr. McMullen admits that it speedily became apparent to myself and associates that Mr. Waddington had been over sanguine in the idea that the formation of any Company would be entrusted to his hand. I do not pretend to recollect all that passed in the brief conversation that took place, but the substance was that the Government was not in a position to negotiate on the subject. After the return of the party to Toronto, I had some further correspondence on the subject, which I only refer to that I may show how I came into communication with Sir Hugh Allan. I received a letter on the 24th of July, acquainting me that the writer intended going during the following week to Montreal, along with a gentleman who has been active in promoting railway enterprises, with a view to bringing this scheme under the notice of Sir Hugh Allan and other capitalists in Montreal. I at once sent the following reply:—

“ ‘ *Confidential.*

“ ‘ MY DEAR SIR,

“ ‘ Ottawa, July 20, 1871.

“ ‘ I have received your letter of the 24th instant. I note that you had yourself arrived at the conclusion that “the whole matter was disorganized and required “complete reconstruction.” You mention your intention of proceeding with Mr. ——— to Montreal to see certain parties. Mr. ——— is reported to be a shrewd business man, and yet, from your account, he is about to see persons regarding a scheme, of the advantages of which neither he nor you can have the slightest idea; at least, I certainly am very ignorant at this moment what aid in land and money the Government will recommend Parliament to grant. How anyone under such circumstances can talk to men of business about being concerned in the scheme, I am at a loss to comprehend, and I am persuaded that, owing to Mr. Kersteman’s most injudicious proceedings, the greatest injury has been done to a great undertaking.

“ ‘ James Beaty, jun., Esq.’

“ ‘ I am,

“ ‘ F. HINCKS.

“ ‘ I readily admit that from the time when the proposals made through Mr. McMullen were first submitted, I was most anxious, but solely on public grounds, that the negotiations should fall into other hands. After having prevented, as I believed I had done, the communication to Sir Hugh Allan, I determined to let him know what was going on. I accordingly gave him the names of the American gentlemen who had made the informal communication, but I certainly could not have requested Sir Hugh to communicate with them. I did not then even know that Sir Hugh Allan was prepared to embark in the scheme, but I readily admit that I was of opinion that several of the American names were wholly unobjectionable, and that Sir Hugh Allan was as likely as any other Canadian capitalist to secure co-operation both in England and Canada. Mr. McMullen refers to an interview, or interviews, with two prominent railway bankers at New York, and prior, I think, to my first communication to Sir Hugh Allan, in the month of August, 1871. During my brief visit to New York in August, 1871, which, I may observe, was wholly unconnected with Pacific Railway matters, I had interviews with the gentleman referred to, and I believe that I did suggest that the American capitalists, who were inclined to promote the undertaking, would find Sir Hugh Allan a better medium of communication with the Canadian Government than Mr. McMullen and his Chicago friends. I acted entirely in the interest of the Canadian people in suggesting to the gentlemen referred to that the parties who had brought the scheme before the Government had not the standing that it was desirable they should have. I was on my way to New Brunswick and Nova Scotia when the conversations in New York took place, and I certainly never gave any address to Sir Hugh Allan. On my return I gave him a list of names, and he remarked that he knew all or most of them by reputation. The next reference to me in Mr. McMullen’s letter is to the meeting of Council on the 5th of October, 1871, when Mr. McMullen says:—‘It was at once apparent that they were not ‘fully in accord among themselves.’ How this was apparent it would be difficult for Mr. McMullen to show, inasmuch as to the best of my recollection no member of the Government said a word except Sir John. Sir John asked Sir Hugh Allan whether he had any proposition to submit, to which Sir Hugh replied by inquiring whether, if he made a proposition, the Government would be prepared to consider it, or enter into negotiations; to which Sir John replied that they were not prepared to do so, and Sir Hugh rejoined that in that case he did not think it advisable to make any suggestion. I have no recollection whatever of holding any private conversation with Mr. McMullen,

and I cannot believe it possible that I could have discussed with him the views of Sir George Cartier. It must be borne in mind, that all this time, and for many months afterwards, indeed till after the Session of Parliament of 1872, the objects of the promoters of the Pacific scheme and of the Government were wholly at variance. Mr. McMullen and his followers, both before and after their association with Sir Hugh Allan, were trying in every possible way, and for this they cannot be blamed, to get the Government committed to entrust the building of the railroad to their Company, while the Government were anxious simply to get all possible information so as to enable them to submit a scheme to Parliament that would be acceptable to capitalists, without being too burdensome to the country. It is alleged that after Sir Hugh Allan returned from England, I said something about advertising for tenders, so as to avoid blame. I must, in the first place, declare that I never made any authorized communication to Sir Hugh Allan, nor do I recollect that the subject of advertising for tenders was ever under the consideration of the Government. If Sir Hugh Allan was pressing for immediate action, nothing would be more natural than that I should point out to him that the Government could not enter into a contract without having previously submitted a scheme to Parliament. I may have talked of advertising for tenders as a mode of ascertaining not only the terms of capitalists, but also whether there were any other parties prepared to make offers. I cannot now recollect what passed at these conversations, but I am clear that I merely gave expression to my private opinion, and] that I was pointing out the impossibility of any immediate action being taken. This was not owing, as Mr. McMullen alleges, to the exigencies of the political situation, but simply to the necessity of obtaining the concurrence of Parliament to whatever scheme the Government might finally decide on. The only further reference to me in Mr. McMullen's letter is to certain alleged money transactions. *I solemnly declare that I never asked and never obtained, either by loan or gift, any sum of money from Sir Hugh Allan, or from any person on his behalf, or from any person in connection with the Pacific Railway; that I never was sounded by Sir Hugh Allan as to my personal expectations, and never, directly or indirectly, asked or obtained any money in connection with the scheme.* Mr. McMullen asserts that I required not only a sum of money for myself, but a situation for my son at a salary of not less than \$2,000 per annum. I never made any such demand, but I did, on one occasion, casually say to Sir Hugh Allan, as I had done to other friends, that if he happened to know of any employment for my youngest son I would be glad if he would bear him in mind. I had not the least idea at the time of employment under a Company not likely to be in existence for an indefinite and certainly a long time. Sir Hugh replied, that no doubt when the Pacific Company was formed, he would have no difficulty in finding him employment, and there the matter terminated. This was long before the disputes which arose between the rival Companies, from which time I determined that no one connected with me should have any employment in any such Company, and this determination I communicated to Mr. Abbott. Meantime my son got employment of a different kind, and without any reference to Sir Hugh Allan. I may add, that at the time the conversation took place, my youngest son, who held an appointment in British Guiana, was on leave of absence, and paying a visit to his family. I was anxious that he should resign his appointment, and remain in Canada, and undertook to find him suitable employment. I mentioned him to several friends in Montreal, where I wished him to settle, and I also mentioned him to Sir Hugh Allan. I never imagined that I would incur the risk of being charged with bargaining for my support to the Pacific Railway scheme. I desire to state, in conclusion, that *the Canadian Government was never in any way a party to any arrangement between Sir Hugh Allan and his American associates.* From the very first there was the strongest opposition to the introduction of the American element on the part of several members of the Cabinet, and for myself, though not unfavourable to Americans being introduced, I always felt that Mr. McMullen was a source of weakness. *I further state most positively, that the Government never entered into any agreement to give the Pacific Railway Charter for monetary considerations of any kind.* The various conditions and the Charter were discussed on their merits, and Sir Hugh Allan and his immediate friends were repeatedly obliged to yield points which they desired to press. The Government honestly tried to obtain an amalgamation between the two Canadian Companies to the exclusion of Americans, and, failing that, they incorporated a Canadian Company, in which Sir Hugh Allan's influence most certainly does not preponderate.

“I am, &c.,
“F. HINCKS.”

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Enclosure 2 in No. 4.

CHARTER FOR THE CONSTRUCTION OF THE PACIFIC RAILWAY,* WITH PAPERS AND
CORRESPONDENCE.

"SIR, " Montreal, June 21st, 1872.
"I have the honour to inform you that the Provisional Directors of the Canadian Pacific Company held a meeting, after due notice, on Wednesday, the 19th of June instant, at which Sir Hugh Allan was appointed President, Mr. Donald McInnes Vice-president, and myself Secretary of the Provisional Board.

"I have also the honour to state, by direction of the Board, that the Canada Pacific Railway Company is desirous of entering into an agreement with the Government under the statute respecting the Canadian Pacific Railway Company recently passed, and will feel honoured by any communication from the Government on the subject.

"I have, &c.,

"The Hon. J. C. Aikins,

"E. LEF. DE BELLEFEUILLE, Secretary.

"Secretary of State, &c., Ottawa."

"Canada Pacific Railway Co.,

"SIR,

"Montreal, 3rd July, 1872.

"I am directed by the President and Provisional Directors of the Canada Pacific Railway Company to inform you that at a meeting of the Provisional Board held yesterday, the second instant, in Montreal, under the presidency of Sir Hugh Allan, I was instructed to write to the Government of the Dominion of Canada, to inform them that the Canada Pacific Railway Company is disposed and ready to undertake the building of the Canadian Pacific Railway, on the terms and conditions contained in the Act respecting the Canadian Pacific Railway, passed at the last Session of the Parliament of Canada.

"I have, &c.,

"E. LEF. DE BELLEFEUILLE, Secretary.

"The Honourable J. C. Aikins,

"Secretary of State, &c., Ottawa."

"Department of Secretary of State,

"SIR,

"Ottawa, 4th July, 1872.

"His Excellency the Governor-General in Council has had under consideration your letter of the 21st ult., reporting the provisional organization of 'The Canada Pacific Railway Company,' and expressing the desire of the Board of the Company to be informed when the Government will be prepared to negotiate with the Company in respect to the construction of the Canada Pacific Railway, and I am directed to inform you that it is the wish of the Government of Canada that your Company and 'The Inter-oceanic Railway Company' should unite and form one Company, in accordance with the tenth section of the Act respecting the Canadian Pacific Railway.

"A similar communication has been made to the President of the latter Company, the Honble. D. L. Macpherson, Toronto.

"I have, &c.,

"E. Lef. de Bellefeuille, Esq.,

"E. PARENT, U.S.S.

"Secretary, Canada Pacific Railway Co., Montreal."

"Department of Secretary of State,

"SIR,

"Ottawa, 5th July, 1872.

"I am directed to acknowledge the receipt of your letter of the 3rd instant, stating that the Canada Pacific Railway Company is disposed and ready to undertake the building of the Canadian Pacific Railway, on the terms and conditions contained in the Act respecting the Canadian Pacific Railway passed at the last Session of the Parliament of Canada.

"I have, &c.,

"E. PARENT, U.S.S.

"Lef. de Bellefeuille,

"Secretary, Canada Pacific Railway Co., Montreal."

* The Charter will be found printed at p. 1 of Command Paper, C. No. 750 of 1st May, 1873.

CANADIAN PACIFIC RAILWAY.

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"Office of the Canada Pacific Railroad,
"Montreal, 9th July, 1872.

"SIR,

"With reference to the last communication addressed to you by the Secretary of this Company, advising that the Company was now prepared to accept of the contract for the building of the Pacific Railroad on the terms and conditions authorized in the Act of Parliament, I have now the honour to state, that if the building of the Pacific Railroad is given to this Company, it will agree, with such assistance as may be obtained from the Governments of Ottawa and Quebec, or such other assistance as may be given us, to build a branch railroad from some point on the main line of the Pacific Railroad, near and north of Lake Nipissing, to Hull, opposite Ottawa, there to connect with the Northern Colonization Railroad. This route will cross the Ottawa at Deep River, or some other point as far up on the north shore of the Ottawa, in the Province of Quebec, as the nature of the country will admit.

"This Company will also agree, with such assistance as we may obtain from the Government of Ontario, or other assistance that may be given to us, to build another branch railroad from the Nipissing terminus of the Pacific Railway to such a point in the Province of Ontario as will connect the Pacific Railroad with the railway system leading to Toronto and other parts of Ontario.

"Honourable J. C. Aikins,
"Secretary of State, Ottawa."

"I have, &c.,
(Signed) "HUGH ALLAN,
"President, Canada Pacific Railroad.

"Department of Secretary of State,
"Ottawa, 17th July, 1872.

"SIR,

"I am directed to acknowledge the receipt of your letter of the 9th instant, referring to the communications of the Secretary of the Canada Pacific Railway Company of the 3rd same month, advising that the Company was then prepared to accept the contract for building the Pacific Railway, and entering into further details on the terms and conditions on which the Company was ready to take the contract for the construction of said railway.

"Sir Hugh Allan,
"President, Canada Pacific Railway, Montreal."

"I have, &c.,
(Signed) "E. PARENT, U.S.S.

"SIR,

Ottawa, 2nd October, 1872.

"I have the honour to state, in answer to your letter, suggesting that the Canada Pacific Railway Company and the Interoceanic Railway Company should amalgamate, that the former Company is willing to make such an amalgamation; and that I communicated such willingness to the Interoceanic Railway Company through its Provisional President, the Hon. Mr. McPherson, shortly after receiving your last letter. I have further to state, that I have not been informed of any action by the Interoceanic Company on the subject, having only received an acknowledgment of the reception of my letter.

"The Hon. the Secretary of State, &c.,
"Ottawa."

"I have, &c.,
(Signed) "HUGH ALLAN, President,
"Provisional Board, Canada Pacific R.R.

"Department of Secretary of State,
"Ottawa, 3rd October, 1872.

"SIR,

"I am directed to acknowledge the receipt of your letter of the 2nd inst., in answer to mine of the 4th July last, suggesting that the Canada Pacific Railway Company and the Interoceanic Railway Company should amalgamate.

"Sir Hugh Allan, Montreal."

"I have, &c.,
(Signed) "E. PARENT, U.S.S.

"SIR,

"Montreal, 14th October, 1872.

"I have the honour to transmit you a Memorandum from the Executive Committee of the Canada Pacific Railway Company, in reply to the statement submitted to the Government by the Interoceanic Railway Company, and I beg the favour of your laying the same before the Council.

"Hon. J. C. Aikins,
"Secretary of State, Ottawa."

"I have, &c.,
(Signed) "HUGH ALLAN,
"President, Provisional Directors.

CANADA. — *“Memorandum of the Canada Pacific Railway Company upon the Statement submitted by the Interoceanic Railway Company to the Government of Canada.”*

“The undersigned, the Executive Committee of the Canada Pacific Railway Company, have to express their obligations to the Honourable the Privy Council for the courtesy of a communication of the statement of the Interoceanic Railway Company, purporting to set forth the reasons which have induced the latter Company to decline the proposal of amalgamation made by the Canada Pacific Company. And they avail themselves of the opportunity thus afforded them, to make some remarks upon the contents of that statement, though they do not feel that any good result would be attained by answering it fully and in detail.

“They regard with regret the decision of the Interoceanic Company, but as they conceive that it has been brought about chiefly by errors upon matters of fact, they are not without hope that it may be reconsidered.

“In making the proposal of amalgamation, the Canada Company felt that so vast an enterprise required all the strength that could be enlisted in it. They believed that the Government aid, with all the advantages which the Government are empowered to grant, would not be in excess of the requirements of the undertaking, and that there was no room for attempting to diminish such aid or advantages by competition. They consider that the Government had adopted a wise policy in endeavouring to create by consolidation the strongest Company possible, rather than to attempt to effect some insignificant saving by placing the two Companies in competition with each other; and they felt that the only public-spirited and patriotic course was to meet the desire of the Government frankly; and to consent to amalgamation without undue solicitude as to the terms of it. They believed that the gentlemen who represented the Interoceanic Company would be prepared, as they themselves were, to lay aside any feeling of rivalry that may have existed, and to act vigorously in concert with them for the benefit of the undertaking. But at the same time they were, and are, fully prepared to undertake and carry out the enterprise alone; as they have already ascertained, by negotiation with English capitalists, that the plans they have formed for the requisite financial arrangements can, in all probability, be carried out.

“With respect to the propositions which the Interoceanic Company seek to establish by the first portion of their statement, namely, that the organization should be pre-eminently national in its character; and that its means must be drawn first from Canadian, and second and chiefly from British sources; the undersigned have simply to say that any argument for the purpose of sustaining such proposition was quite superfluous, although possibly European capital may require to be sought for outside of Great Britain—no one will dispute the advantages of committing the construction and running of the Pacific Railroad to a Company of Canadian origin and composed of British subjects; nor the disastrous results that might be expected from placing the enterprise under the control of the American Northern Pacific Railway Company. The Canada Company have always entertained the opinions enunciated in their statement on this subject: and as proof of that fact, it will appear, on reference to the draft Charter submitted by that Company to the House of Commons, that they proposed to make their Board of Directors exclusively British; while, on the other hand, the Interoceanic Company proposed by their draft Charter to create a Board which of necessity needed only to be British as to the majority of it. And it was only in consequence of the desire of the Government and Parliament that the two Charters should be identical, and of the objection of the Interoceanic Company to make their Board of necessity exclusively British, that the Canada Company took from the Interoceanic Company's Charter the clause requiring only a majority to be British instead of the whole. And, moreover, the Canada Company have been actively engaged since their incorporation in negotiations with British capitalists, exclusively tending to the acquisition of means for the construction of the railway with every prospect of favourable result, should they be authorized to undertake it.

“In the face of these facts, it would seem that the somewhat elaborate argument of the Interoceanic Company, to prove the expediency of making the Company entirely Canadian and British was not only unnecessary and inapplicable, but possibly might be said to be out of place as coming from that Company.

“The Interoceanic Company having however submitted various arguments in support of these propositions, proceed to apply them to the disadvantage of the Canada Company.

“They assert that it is a matter of notoriety that one of the leading members of the Canada Company, and its Provisional President, has been engaged in negotiation with gentlemen connected with the Northern Pacific Railway, for the organization of a

Company for the construction of the road; and they say that the impression still exists everywhere that his original scheme is unchanged, and that his Company, as they term the Canada Company, is intended to co-operate with parties in the United States interested in the Northern Pacific Railway. And they declare that the Interoceanic Company share this belief.

“That, in reality, is the chief ground stated by the Interoceanic Company for declining amalgamation; and as it is easy to show that this ground is entirely unsupported by facts, the Canada Company hope that, this erroneous impression being removed, the course of the Oceanic Company may be materially changed.

“With regard to the assertion that a belief ‘exists everywhere’ that the Canadian Company still intend to carry out the design of combination with American capitalists, it is only necessary to say that the gentlemen who say so no doubt speak truly as to some limited circle with which they are in immediate communication. But the Canada Company emphatically deny that beyond such a limited circle any such belief or even any idea of such a state of things is entertained.

“The Canada Company are aware that a negotiation was commenced during the summer of eighteen hundred and seventy-one, between Sir Hugh Allan and certain American capitalists for the formation of a Company to construct and run the Canada Pacific Railway; but they are informed by Sir Hugh Allan, and have satisfied themselves by a full inquiry into the circumstances and details of that negotiation, that it was not initiated by Sir Hugh, and that it was commenced and supported by influential persons in Canada, as being the only combination that offered itself at that time for the construction and running of the road; but they are satisfied that that negotiation never possessed the character attributed to it by the Interoceanic Company, and they know that Sir Hugh Allan would never have consented to embark with foreign capitalists in a Canadian enterprise in which he takes so great an interest without the most perfect securities and guarantees for its control and conduct in the interest of Canada. But the discussion of the negotiation is entirely foreign to the proposition now being considered. That negotiation terminated when Sir Hugh Allan engaged with others in the formation of the Canada Company, and it has never been renewed.

“The Canada Company never participated in that negotiation, and never considered or entertained any proposition, suggestion, or intention of asking aid from American capitalists, or of combining with them for the prosecution of the railway, or for any other purpose. The only negotiations they have carried on are those already alluded to with British capitalists, and they have never even communicated on the subject of the railway with anyone outside of Canada or Great Britain.

“The Canada Company would further remark on this branch of the subject, that they are unwilling to attempt to gather from the terms of the statement of the Interoceanic Company any meaning which does not plainly appear upon its face. But they cannot omit noticing that the weight of this objection rests upon the suggestion, rather implied than expressed, that the Canada Company is prepared to lend itself to the obstruction of the Canada Pacific Railway, by placing the control of it in the hands of capitalists interested in a rival road. Unless the objection is taken as having this bearing, it would have no weight, and the Canada Company are therefore forced to make a single remark upon this view of it. They desire expressly to state that their Company is composed of gentlemen as fully alive to the interests of Canada, and as deeply interested in its welfare, as the members of the Interoceanic Company, or anyone else can be. And they protest formally and energetically against any imputation, whether expressed or implied, contemplating the possibility of their taking the course which they cannot but interpret as being imputed to them by the statement of the Interoceanic Company. Although probably the Interoceanic Company will accept the positive and unqualified disclaimer which the Canada Company now place on record, it may not be amiss to remark upon the impossibility of any such course being taken as that which is implied in the Interoceanic Company’s objection.

“It will be observed that the aid in money and lands is only to be granted by the Government as the work actually progresses. It is also necessary that the periods for the completion of the various sections of the road should be fixed by the agreement with the Company entrusted with the enterprise. It is also necessary that the Government should fix a period within which the work should be commenced and proceeded with. And it is reasonably to be supposed that there would be a provision in any agreement made with the Government that upon failure in any of these conditions the Company should forfeit its rights to the Government aid. Again, in the proposition of amalgamation which the Canada Company made to the Interoceanic Company it was suggested that the former Company should name a small proportion of the Provisional

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Directors, the Interoceanic Company naming a similar number, the intention being that the remainder of the Board, constituting a majority of it, should be agreed upon between the two Companies and the Government.

"Under these circumstances, the undersigned would observe that the carrying out of any such plan as that implied by or imputed to the Canada Company is simply impossible. Supposing, for argument's sake, that they entertained the intention of placing the control of the enterprise in the hands of the Northern Pacific Railway Company, the persons named by them on the Board would constitute but a small minority of it. And without the concurrence of the Interoceanic Company's nominees and those approved of by the Government, it would be utterly impossible not only to alienate the aid given by the Government, but even to obstruct in any material degree the operations of the majority of the Board. And if, which is impossible, the small minority could control the majority so far as either to purport to alienate the aid or obstruct the work, the remedy would be in the hands of the Government, as no portion of the proposed assistance could actually be alienated from the purposes for which it was intended, and the attempt would only result in the forfeiture of the agreement.

"With regard to the assertion of the Interoceanic Company that they 'very generally' and 'equally' represent all the Provinces of the Dominion, and the comparison of importance they draw between the Interoceanic Company's organization and that of the Canada Company, the undersigned would prefer not to discuss it at any length. At the same time, in justice to themselves, they would remark that they have not a word to say against the respectability of the three gentlemen from the Province of Quebec, whose names appear upon the minute of the meeting of the twenty-sixth day of September; but they would ask in what sense or from what point of view can these three gentlemen be said to represent that great and flourishing Province? And as to the other gentlemen from the Province of Quebec, whose names appear in the Bill of the Interoceanic Company, but who did not take part in that meeting, the well-known circumstances of their reception into that Company prevent the expectation that they will exercise any influence in its favour. A list of the Provisional Directors of the Canada Company is submitted herewith to the Government, and the company challenge a comparison of them with the Provisional Directors of the Interoceanic Company. And they do not hesitate to assert that the public of Canada will feel at least as much confidence in the Board constituted of those gentlemen as in the board of the Interoceanic Company. They regret the necessity for saying even so much as this on the subject, as they earnestly deprecate any approach to recrimination or anything that could by any possibility arouse any feeling on the part of the members of the Interoceanic Company; for it is their desire, in answering their statement, rather to endeavour to remove any wrong impression which that Company may have entertained, than to enter into controversy with them, and they have studiously avoided remarking upon many matters contained in the statement of the Interoceanic Company, though they have been in many instances strongly tempted to do so, in order that by avoiding all recrimination and controversial comment upon the line of argument contained in the statement they might manifest their earnest desire to carry out the wish of the Government for amalgamation; not only because such is the desire of the Government, but also because they feel that it is in the interest of the enterprise that all possible strength should be concentrated upon it.

"The undersigned are desirous of making one remark more as to the observations of the Interoceanic Company's statement with regard to politics. The Canada Company have not in any manner or way interfered in politics, and they are at a loss to know to what circumstances the Interoceanic Company can refer in their remark on this subject.

"The Canada Company is composed of persons holding different views in political matters, and those persons have acted in accordance with those views when called upon in any way to act politically since they joined the Company as they did before, and as they probably will continue to do; and the Canada Company have not in any way resorted to sectional or any other pressure to induce the Government to negotiate with them for the construction of the railway. On this point also it will be perceived that the Canada Company confined themselves to vindicating their own position, without assailing or attempting to assail the position or acts of the Interoceanic Company.

"In conclusion, the undersigned respectfully state that the members of the Canada Company claim for themselves in every respect a strong sentiment of patriotism, and as much public spirit as any of their fellow-subjects, and they consider that their names and antecedents are a sufficient guarantee that their claim is well founded. They are as sensible of the disadvantages of any obstruction to the gigantic undertaking in which the Government of Canada is about to embark, as any other person or Company can be. They believe themselves to be as competent as the Interoceanic Company or any other

Company or body of men to carry out the undertaking, and they are prepared to assume the responsibility with a complete recognition of the weight of that responsibility, but with assured conviction that they are justified in assuming it. They desire an amalgamation with the Interoceanic Company. They are willing to make it upon terms that may be agreed upon as being perfectly just to both Companies, and satisfactory to the people of Canada. And in the event of such amalgamation, they are prepared to act cordially with the gentlemen who may be associated in the Board of Direction with such members of the Canada Company as may be chosen to form part of it; but if the Interoceanic Company are not prepared to meet them in a similar spirit, they respectfully ask that their proposition to undertake the building and running of the Pacific Railway may meet with the favourable consideration of Government. The whole respectfully submitted.

(Signed) "HUGH ALLAN.
"J. J. C. ABBOTT.
"LOUIS BEAUBIEN.

"Montreal, 12th October, 1872."

"Department of the Secretary of State,
"Ottawa, 5th October, 1872.

"SIR,

"I am directed to enclose to you a copy of a communication received from the President of the Interoceanic Railway Company of Canada, on the subject of the amalgamation of that Company with the Canada Pacific Railway Company, which had been suggested by the Canadian Government.

"I have, &c.,
(Signed) "E. PARENT, Under-Secretary.

"Sir Hugh Allan, Montreal."

"SIR,

"Montreal, 15th October, 1872.

"I have the honour to enclose a list of the Provisional Directors of the Canada Pacific Railway Company referred to in my letter of yesterday's date.

"I have, &c.,
(Signed) "HUGH ALLAN.

"The Honourable the Secretary of State, Ottawa."

"CANADA PACIFIC RAILWAY COMPANY.

"Provisional Board of Directors, Montreal, 15th October, 1872.

"Sir Hugh Allan, Montreal.

"Hon. J. J. C. Abbott, M.P., Montreal.

"Hon. A. B. Foster, Senator, Waterloo.

"Hon. John Hamilton, Senator, Hawkesbury Mills, Ontario.

"Hon. Ch. J. Coursol, Montreal.

"Hon. Jean L. Beaudry, Leg. Councillor, Montreal.

"Hon. Gédéon Ouimet, Att. General, Q., Montreal.

"Hon. David Christie, Senator, Paris, Ontario.

"Hon. James Skead, Senator, Ottawa.

"Hon. John J. Ross, M.P. and Leg. Councillor, Q., Ste Anne de la Pérade.

"Hon. Donald A. Smith, M.P., Fort Garry, Manitoba.

"Hon. Thomas McGreevy, M.P., Leg. Councillor, Quebec.

"Sir Edward Kenny, Halifax, N.S.

"Hon. Louis Archambault, M.P. and Minister of Agriculture, Q., L'Assomption.

"Andrew Allan, Esq., Montreal.

"Louis Beaubien, Esq., M.P., Hochelaga.

"Victor Hudon, Esq., Montreal.

"Charles S. Rodier, jun., Esq., Montreal.

"Donald McInnes, Esq., Hamilton, Ontario.

"Charles F. Gildersleeve, Esq., Kingston.

"William Kersteman, Esq., Toronto.

"Jos. M. Currier, Esq., M.P., Ottawa.

"Jean Bte. Renaud, Esq., Quebec.

"Eugène Chinic, Esq., Quebec.

"Hon. Billa Flint, Senator, Belleville, Ontario.

"William M'Dougall, Esq., M.P., Three Rivers, Q.

"Henry Nathan, Esq., M.P., Victoria, B.C.

"E. R. Burpee, Esq., St. John's, N.B."

CANADA.

“Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 16th October, 1872.

“The Committee of the Privy Council have had under their consideration a letter addressed to the Secretary of State by the Honourable D. L. Macpherson, enclosing copy of a Report from the Executive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, which has been unanimously adopted by the Directors. The Committee of the Privy Council have learned with regret that the suggestion of the Government, that there should be an amalgamation between the two Companies, which obtained during the last Session of Parliament Acts of Incorporation for the construction of a railroad between a terminus on the Pacific Ocean and one on the vicinity of Lake Nipissing with which all the Canadian railroads could connect on equal terms, has not been acted on by the contemplated Interoceanic Company for reasons which are given in the Report of their Executive Committee. The Committee of the Privy Council admit the importance of securing as much unanimity as possible among the Canadian capitalists who are disposed to assume the responsibility of constructing the great work which by the terms of the union of British Columbia with the Dominion became the duty of Parliament to undertake.

“In the opinion of the Committee of the Privy Council there is no ground for rivalry between the Province of Ontario and Quebec, especially as the eastern terminus has been fixed by Parliament at a point convenient for both Provinces.

“The Committee of the Privy Council has not failed to give their attentive consideration to the reasons adduced by the Committee of the Interoceanic Company for opposing the amalgamation with the Pacific Company, while the latter Company, in deference to the wishes of the Government, has expressed its readiness to agree to.

“The Committee of the Privy Council concur in the opinion expressed in the Report, that the success of the Pacific Railway project must mainly depend upon its complete identification with the public sentiment of the country, and that the lands appropriated for the construction of the work should be so dealt with as to enlist the whole energies of the country in their early settlement; and they therefore admit that the organization should be essentially and pre-eminently national in its character, and that success in the British money market is more likely to be attained if the Canadian people themselves become interested in the undertaking.

“It is unnecessary for the Committee of the Privy Council to discuss the question raised in the Report as to the inexpediency of looking to aid from the United States for the construction of the Pacific Railway, as they do not contemplate seeking such aid, but on the contrary, most earnestly desire to accomplish the very object recommended in the Report under their consideration, viz.: the united action of the Canadian people in the work. It is assumed in the Report that the Canadian Pacific Company would be under the control of citizens of the United States connected with the Northern Pacific Company. It is said to be a matter of public notoriety that the original proposal of Sir Hugh Allan, relative to the Canada Pacific Railway, was made in association with the American gentlemen most prominently connected with the Northern Pacific Railway.

“The foregoing statement is the avowed ground of the refusal of the Interoceanic Company to amalgamate with the Canada Pacific Company. The Committee of the Privy Council avail themselves of this opportunity to place on record all that is come to their knowledge regarding the negotiations on the subject of the Pacific Railway; when it became known that the Canadian Government was about to invite the consideration of Parliament to the subject of the admission of British Columbia into the Dominion on conditions, one of which was that Canada would undertake to procure the construction of a Pacific Railway, an enterprising gentleman, an inhabitant of British Columbia, the late Mr. Alfred Waddington, who had already made extensive surveys at his own expense, petitioned Parliament for a Charter to construct that line, intending, it is believed, to obtain aid in England and United States.

“Mr. Waddington had a Bill introduced and printed, but did not proceed with it during the Session of 1871; after the close of the Session Mr. Waddington, in conjunction with one or more gentlemen in Toronto, visited the United States, having, as he always stated, failed in securing any co-operation in Canada, with the view of interesting foreign capitalists in the undertaking. He took with him his own printed Bill, and the Resolutions which had been adopted by Parliament for the admission of British Columbia into the Dominion, on condition that the Pacific Railway should be constructed, and he succeeded in interesting in his project a number of influential capitalists, some connected with the Northern Pacific Railway, others entirely unconnected with it.

"On his return to Canada, Mr. Waddington employed a respectable legal firm in Toronto, as solicitors to the promoters of the railway, and visited Ottawa, armed with a document, signed by a number of gentlemen of known wealth, in which they stated the terms on which they would undertake to construct the railway. The deputation had interviews with some members of the Government, who received them courteously, and listened to their proposals, but informed them that the Government was not then in a position to enter into negotiations. Meantime, the members of the Government, aware of the necessity that existed of proposing a definite scheme during the next Session of Parliament, availed themselves of every opportunity of endeavouring to ascertain the terms on which Canadian capitalists would be willing to undertake the work.

"The scheme, however, was, so far as they could learn, coldly received, and for several months no proposition was received by the Government for the construction of the road, except that already referred to, which was obtained through Mr. Waddington and some friends of his in Toronto. At this stage, a member of the Government, during a casual visit to Montreal, happened to meet Sir Hugh Allan, when he informed him of the proposition which had been made, and mentioned to him the names of the Americans who had made the proposition to the Government. He expressed to Sir Hugh Allan his regret that such a work should be allowed to fall into the hands of foreigners, owing to the apathy of Canadian capitalists. It was after, and in consequence of this conversation, that Sir Hugh Allan put himself in communication with the American gentlemen already referred to, and it is not a little remarkable that the suggestion made to Sir Hugh Allan arose from a desire to carry out the object which the Committee of the Interoceanic Company appear to have in view. That object was to secure the construction of the work under Canadian management, no doubt being entertained that there would be no difficulty in finding safeguards against the dangers anticipated by the Interoceanic Company; such were the circumstances under which Sir Hugh Allan's connection with the American capitalists took place. Sir Hugh Allan was the first Canadian capitalist who made a proposition for the construction of the line, and to him the Government is indebted for the information which enabled them to decide with confidence as to the scheme to be submitted to Parliament. The Committee of the Privy Council think it unadvisable to enter into any discussion of the respective merits or influence of the rival Companies, especially because they remain of opinion that it would be highly inexpedient to select either Company to the exclusion of the other.

"Should they fail in obtaining the concurrence of both Companies to their proposition for an amalgamation on just and equitable principles, they will be compelled, from a sense of duty, to adopt other means to secure their object, which is a cordial co-operation of the Canadian people of all classes and from all sections of the Dominion, in the construction of the Pacific Railroad.

"The Committee of the Privy Council have, in conclusion, to state that they have received the most positive assurances that it is not contemplated by the promoters of the Canada Pacific Company to associate themselves with foreigners, and also that the Company is prepared to accept any proposition made by the Government for the purpose of preventing the enterprise falling into the hands of an alien proprietary. They cannot, under the circumstances, recommend that the individual who was the first Canadian capitalist who entered into negotiations with the Government for the construction of the Pacific Railroad should, with all its associates, be excluded from the management of a work which, as is admitted in the Report under consideration, requires, in order to ensure success, the cordial co-operation of the Canadian people. The Committee of the Privy Council are not without hope that on a reconsideration of the subject, the Interoceanic Company may come to the conclusion that the course which would be most for the advantage of the country that they should follow, would be to act on the suggestion of the Government, and to consent to an amalgamation with the Pacific Company; and they therefore recommend that a copy of this Minute be sent to both Companies, and that they be urged to make an early and earnest attempt to reconcile their differences, and to form an united Company for the construction of the Pacific Railroad.

"Certified,

"W. H. HIMSWORTH.

"Clerk, Privy Council."

CANADA.

"Department of the Secretary of State,

"Ottawa, October 22nd, 1872.

"SIR,

"I am directed to forward you the enclosed copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, relative to the Canadian Pacific Railroad.

"I have, &c.,

(Signed) "E. PARENT, Under-Secretary.

"Hon. D. L. Macpherson,

"President, Interoceanic Railway Co., Toronto.

"Sir Hugh Allan,

"President, Canada Pacific Railroad Co., Montreal."

"SIR,

"Montreal, October 25, 1872.

"I have the honour, on behalf of the Canada Pacific Railway Company, to acknowledge receipt of a copy of a Report of the Committee of the Honourable the Privy Council, approved by his Excellency on the 16th instant, and I here request that you will be good enough to lay before the Honourable the Privy Council the following remarks upon that Minute:—

"In deference to the desire of the Government, which they consider is in accordance with the best policy under the circumstances, the Canada Pacific Company are prepared to amalgamate with the Interoceanic Company upon reasonable terms, to be approved by the Government.

"With regard to the statement in the Minute that there would be no difficulty in finding safeguards against the danger anticipated by the Interoceanic, I would further say, that the Canada Company is prepared to consent to any safeguard that can be devised against the possibility of the money or land subsidy being diverted from its purpose.

"I would desire, further, respectfully to remark that the Canada Company is prepared to make such addition to its members from the Province of Ontario as may be considered necessary to constitute a complete representation of that Province in the proprietary and on the Board of the Company. And, in the event of the Interoceanic Company declining to accede to the suggestion of the Government, that the Canada Company will be prepared to submit additional names from Ontario, in order that that Province may be represented in the Company to the satisfaction of the Government.

"I have, &c.,

(Signed) "HUGH ALLAN,

"President, Provisional Board, Can. Pac. R.R.

"The Hon. J. C. Aikins,

"Secretary of State, Ottawa."

"Department of the Secretary of State,

"Ottawa, December 4, 1872.

"SIR,

"I am directed to transmit to you, for the information of the Canada Pacific Railroad Company, the enclosed Memorandum of the Executive Council of the Interoceanic Railway Company of Canada, upon the Memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company.

"I have, &c.,

(Signed) "E. PARENT, Under-Secretary.

"E. L. De Bellefeuille, Esq.,

"Secretary, Canada Pacific Railway Co., Montreal."

"CANADIAN PACIFIC RAILWAY.

"COPY of a Report of a Committee of the Honourable the Privy Council, approved by
"His Excellency the Governor-General in Council on the 31st January, 1873.

"The Committee of the Privy Council have had under consideration the correspondence and Reports of Committees of the Provisional Directors of the Canada Interoceanic Railway Company, and of the Canada Pacific Railway Company, and whilst much

regretting that these Companies have not been willing to unite and form one Company for the purpose of constructing the Pacific Railway, the Committee of the Privy Council are unable to advise your Excellency to agree with either of the said Companies separately for the construction and working of the whole line of railway described in the Canadian Pacific Railway Act of last Session, 35 Vict., cap. 71; and they are of opinion, and submit it to your Excellency, that it will be more advantageous for the Dominion, and will better ensure the attainment of the purposes of the Act above referred to, that a Company should be incorporated under the powers conferred by the fifteenth section of the above Act, by charter for that purpose.

“And whereas Sir Hugh Allan, of the City of Montreal, Knight; the Honourable Adams George Archibald, of the City of Halifax, C.M.G., a member of the Queen's Privy Council for Canada; the Honourable Joseph Octave Beaubien, of Montmagny, Commissioner of Crown Lands in the Province of Quebec; Jean Baptiste Beaudry, of the City of Montreal, Esq.; Egerton Ryerson Burpee, of the City of St. John, Esq.; Frederick William Cumberland, of the City of Toronto, Esq.; Sandford Fleming, of the City of Ottawa, Esq.; Robert Newton Hall, of the Town of Sherbrooke, Esq.; the Honourable John Sebastian Helmcken, of the City of Victoria; Andrew McDermot, of the Town of Winnipeg, Esq.; Donald McInnes, of the City of Hamilton, Esq.; Walter Shanly, at present of the Town of North Adams, in the United States of America, Esq.; and John Walker, of the City of London, in the Province of Ontario, Esq., have stated their ability and willingness to form such Company, and that they have a subscribed capital of ten million dollars, and that they are ready to enter into an agreement for the construction and working of the said line of railway; the Committee recommend that negotiations be entered into with the said persons for the purpose of settling the terms of an agreement under the Act between the Government and such persons, and that the Minister of Justice be instructed to conduct the same.

“Certified,

“W. A. HIMSWORTH,

“Clerk, Privy Council.”

“Department of Justice,

“Ottawa, 31st January, 1873.

“The undersigned, to whom was instructed the conduct of the negotiations with Sir Hugh Allan and his associates for the construction of the Canadian Pacific Railway, by the Order in Council of this date, begs leave to report:—

“That he has settled an agreement, and a draft Charter under such agreement, with Sir Hugh Allan and his associates, which he begs leave to submit for the consideration of your Excellency in Council.

“JOHN A. MACDONALD.”

“Copy of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council, on the 31st January, 1873.

“The Committee of the Privy Council have had under consideration the Report of the Hon. the Minister of Justice, and the accompanying draft agreement prepared pursuant to the Order in Council of this date, and they recommend that the said draft be accepted, and an agreement according to its terms be entered into with Sir Hugh Allan; the Honourable Adams George Archibald; the Honourable Joseph Octave Beaubien; Jean Baptiste Beaudry, Esq.; Egerton Ryerson Burpee, Esq.; Frederic William Cumberland, Esq.; Sandford Fleming, Esq.; Robert Newton Hall, Esq.; the Honourable John Sebastian Helmcken; Andrew McDermot, Esq.; Donald McInnes, Esq.; Walter Shanly, Esq.; and John Walker Esq.; for the construction and working of the whole line of the Canadian Pacific Railway, under the Statute 35 Victoria, cap. 71.

“The Committee have also had before them a stock list, showing that the said persons have a subscribed capital of ten million dollars, and they are of opinion that under and by the terms of the said agreement, such capital is satisfactorily secured.

“They therefore advise that on the execution of such agreement by the said parties, a Charter may properly be granted to them under the Great Seal, pursuant to the 15th clause of the said Act.

“Certified,

“W. A. HIMSWORTH,

“Clerk, Privy Council.”

CANADA.

“ Department of Justice,
“ Ottawa, 31st January, 1873.

“ The undersigned has the honour to report, that the agreement between the Government and Sir Hugh Allan and his associates, for the construction of the Canadian Pacific Railway, which was accepted by the Order in Council of this day's date, has been duly executed by them. He therefore recommends that a Charter under the Great Seal be granted to such persons, pursuant to the 15th clause of the Statute 35 Victoria, cap. 71.

“ JOHN A. MACDONALD.”

“ COPY of a Report of a Committee of the Honourable the Privy Council, dated 31st January, 1873, and approved by His Excellency the Governor-General in Council on the 5th February following.

“ The Committee of the Privy Council have had before them the Report of the Honourable Minister of Justice of this date, stating that the agreement mentioned in the Order in Council of this day's date, for the construction of the Canadian Pacific Railway, by Sir Hugh Allan; the Honourable Adams George Archibald; the Honourable Joseph Octave Beaubien; Jean Baptiste Beaudry, Esq.; Egerton Ryerson Burpee, Esq.; Frederic William Cumberland, Esq.; Sandford Fleming, Esq.; Robert Newton Hall, Esq.; the Honourable John Sebastian Helmcken; Andrew McDermot, Esq.; Donald McInnes, Esq.; Walter Shanly, Esq.; and John Walker, Esq.; has been duly executed by them. The Committee therefore recommend that your Excellency do order that a Charter be granted to such persons under the Great Seal of the Dominion, pursuant to the 15th clause of the Act 35 Vict., cap. 71.

“ Certified,
“ W. A. HIMSWORTH,
“ Clerk, Privy Council.”

“ SIR, “ Department of Secretary of State,
“ Ottawa, 14th February, 1873.
“ I am directed to transmit to you the enclosed Charter of ‘ The Canadian and ‘ Pacific Railway Company,’ the receipt of which you will be good enough to cause to be acknowledged.

“ Sir Hugh Allan, &c., &c., &c., Montreal.” “ I have, &c.,
(Signed) “ E. PARENT, U.S.S.

“ SIR, “ Montreal, 17th February, 1873.
“ I have the honour to acknowledge receipt of your letter, dated 14th instant, accompanied with the Charter of the Canadian Pacific Railroad.

“ E. Parent, Esq., Under-Secretary of State, Ottawa.” “ I have, &c.,
(Signed) “ HUGH ALLAN.

“ SIR, “ Office of the Interoceanic Railway Company of Canada,
“ Toronto, 20th of June, 1872.
“ I have the honour to inform you, that the Interoceanic Railway Company of Canada was this day organized provisionally by election of myself as President, Mr. Charles H. Fairweather as Vice-president, and Mr. John Hague as Secretary.

“ I shall feel obliged by your informing me when the Government will be prepared to negotiate with this Company, in respect to the construction of the Canadian Pacific Railway, authorized by Parliament last Session.

“ I have, &c.,
(Signed) “ D. L. MACPHERSON,
“ President of Board of Provisional Directors.

“ To the Honourable
“ The Secretary of State for Canada, Ottawa.”

CANADIAN PACIFIC RAILWAY.

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CANADA.

“Department of Secretary of State,
“Ottawa, 4th July, 1872.

“SIR, “His Excellency the Governor-General in Council has had under consideration your letter of the 20th ultimo, reporting the provisional organization of ‘The Inter-oceanic Railway Company of Canada,’ and expressing the desire to be informed when the Government will be prepared to negotiate with the Company in respect of the construction of the Canadian Pacific Railway, and I am directed to inform you that it is the wish of the Government of Canada that your Company and ‘The Canada Pacific Railway Company’ should unite and form one Company, in accordance with the tenth section of the Act respecting the Canadian Pacific Railway.

“A similar communication has been made to the Secretary of the latter Company, E. Lef. de Bellefeuille, Montreal.

“I have, &c.,
(Signed) “E. PARENT,
“Under-Secretary of State.

“Hon. D. L. Macpherson,
“President, Interoceanic Railway Company, Toronto.”

“Office of the Interoceanic Railway Company of Canada,
“Toronto, 28th September, 1872.

“SIR, “I have the honour to state, for the information of the Government, that I convened a meeting of the Provisional Directors of the Interoceanic Railway Company of Canada, for the purpose of considering the suggestion of the Government, that this Company should amalgamate with the Canada Pacific Railway Company.

“At the request of the Board, I send herewith a copy of a Report from the Executive Committee upon the subject, adopted unanimously by the Board, declining amalgamation for the reasons set forth.

“I am also requested by the Board to intimate to the Government that this Company is prepared to enter into arrangements for building and working the Canadian Pacific Railway.

“I have, &c.,
(Signed) “D. L. MACPHERSON,
“Provisional President.

“To the Honourable the Secretary of State, Ottawa.”

“Interoceanic Railway Company of Canada,
“Toronto, 26th Sept., 1872.

“At a meeting of the Provisional Directors of the Interoceanic Railway Company of Canada held this day, present in person or by proxy :—

“The Hon. D. L. Macpherson, President ;

“Charles H. Fairweather, Esq., Vice-president ;

“The Hon. Messrs. Wm. McMaster, Frank Smith, John Simpson, G. W. Allan, Is. Thibaudeau, John Carling ; J. W. Cumberland, Esq., C. S. Gzowski, Esq., J. G. Worts, Esq., John Walker, Esq., W. H. Howland, Esq., David Torrance, Esq., John Boyd, Esq., T. Kenny, Esq., Edwin Russell, Esq., J. F. Randolph, Esq., John Starr, Esq., the Hon. D. E. Price ;

“A communication was read from the Government, suggesting that the Interoceanic Railway Company should amalgamate with the Canada Pacific Railway Company. The following Report thereon from the Executive Committee was also read:—

“To the Provisional President, Vice-president, and Directors of the Interoceanic Railway Company :

“Your Executive Committee have had under consideration a communication from the Government, expressing a wish that the Interoceanic Railway Company should amalgamate with the Canada Pacific Railway Company, and they now beg leave to report :

“That they have given their best attention to the proposal, solely with reference to the successful and early completion of the Canadian Pacific Railway.

“The construction and management of an undertaking involving such vast and varied interests must, in their opinion, mainly depend for success upon its complete identification with the public sentiment of the country.

CANADA.

"The subsidy in money, though in itself large, is still insignificant relatively to the enormous outlay that must attend the construction of the work. The Company having to rely upon the disposal of their lands for the greater part of their expenditure, renders it desirable, nay necessary, that the land should be dealt with so as to enlist the whole energies of the country in their early settlement.

"It is therefore of supreme importance that the organization through which the railway is to be built should be essentially and pre-eminently national in its character.

"The sources from whence the Company's means must be drawn are twofold :

1st, Canadian; 2nd (and chiefly) British.

Success in the British money market will, in the opinion of your Committee, depend in a great measure upon the extent to which the Canadian people themselves become interested in the undertaking.

"It is perfectly futile to look to the United States for aid in this work, as it is necessarily a rival to the several existing Pacific Railways. While this remark applies generally to its future as a commercial enterprise, it is in the meantime still more applicable and weighty in reference to the measures required for the early settlement of the vast regions traversed by the rival lines through the United States. The Canadian Pacific Railway Company must compete in Great Britain and Europe generally for the emigration thence, and this can never be done advantageously or successfully in association with any of the American interests concerned in the trans-continental traffic. The suggestion for amalgamation with the Canada Pacific Company, more generally known as that organized by Sir Hugh Allan, forces upon your Committee the consideration of the matters above referred to.

"It is a matter of public notoriety that the original proposal of Sir Hugh Allan, relative to the Canada Pacific Railway, was made in association with the American gentlemen most prominently connected with the Northern Pacific Railway. It is generally believed that the Government are themselves aware of this; and it was mainly owing to the apprehension that the control of a work, upon which the future of the Dominion so much depends, might pass into American hands, that the Interoceanic Company was called into existence.

"The public of Canada instinctively felt that if the parties interested in the Northern Pacific Railway were permitted to control the Canadian line, that such a combination would obstruct the material as well as political alliance with the British possessions on the Pacific Coast, and retard and endanger the successful settlement of the fertile Western Territory of Canada.

"From one end of the Dominion to the other, but more especially in the great Province of Ontario (upon whose people the greater part of the burden of the cost of the railway must fall), there have come unmistakable indications of public opinion on the subject, and the names connected with the Interoceanic Company conclusively show the general determination to make the work distinctively national and Canadian. It may appear invidious to institute comparisons between the relative importance of the Interoceanic Company's organization and that of Sir Hugh Allan's Company, but this cannot be avoided when the proposal is one for amalgamation.

"Your Committee must therefore remark that the Interoceanic Company is probably the largest and most influential combination of men of capital and position which could be found in the Dominion, not confined to one Province, but very generally and equally representing all.

"With respect to the other Company, your Committee submit that it is not in any broad or national sense representative of the Dominion.

"Its active influence is almost exclusively confined to the Province of Quebec, and in that Province to the city of Montreal; but excepting Sir Hugh Allan himself, and two or three other gentlemen, it cannot with fairness be designated as representing the capital and enterprise of even that community.

"It is no injustice to say that the claims of Sir Hugh Allan's Company rest, not upon general public support, but mainly upon the position of Sir Hugh Allan himself. Early though it be in the history of the Canadian Pacific Railway, the dangerous character of such an organization as the Company you are invited to amalgamate with has already been made apparent by its promoters resorting to the arena of politics for that strength and support not due to its intrinsic merits.

"The Interoceanic Company, on the other hand, has relied solely upon general public support, and has in no instance appeared as desirous of unduly influencing the Government.

"If the Canadian Pacific Railway is to be made the subject of undue and improper pressure by one section of the Dominion to the prejudice of others, it will soon acquire

a reputation which will destroy public confidence in the enterprise, and occasion either its abandonment or completion at sacrifices far beyond any that the country now contemplates.

“Your Committee readily admit that it would be desirable to secure the united strength of the Dominion in support of this work, and if the Company organized by Sir Hugh Allan really represented Canadian interests, though local, it would be well to have their co-operation.

“But, unfortunately, the impression still exists everywhere, that Sir Hugh Allan's original scheme is unchanged, and that his Company is intended to co-operate with the parties in the United States interested in the Northern Pacific Railway, and your Committee sharing this belief, cannot regard the proposal of amalgamation as otherwise than ill-advised and dangerous to the public interests.

“Your Committee are convinced that such an amalgamation would at once destroy public faith in the Company as a Canadian undertaking.

“They believe that if amalgamation were accomplished, the best friends of the enterprise in Canada would refuse their aid, and that in consequence an excuse would be found for placing it under the control of the rival American Company, or of its chief promoters, in the illusory hope that they would carry it through to completion.

“Your Committee fail to find an adequate reason for asking the Interoceanic Company to part with its individuality.

“The public everywhere evince confidence in it as it is.

“Assurances have been received from every Province in the Dominion (except Manitoba), that the quota of stock allotted to each by the Act of Incorporation would be subscribed, and in some of the Provinces much more than such allotted quota would be taken.

“In this way all classes of the community would be closely identified with the great national work, and the fulfilment of such assurances would vastly strengthen the Company in its negotiations in England and on the continent of Europe.

“By entrusting the execution of the Pacific Railway to the Interoceanic Company, the Government will, in effect, be dealing with the representatives of their own people.

“They will be assured of the application of every dollar and every acre to the sole object which Parliament contemplated in granting the subsidies, and that the lands will not be permitted to pass under foreign control, or be held back from settlement for years, or until those of the Northern Pacific Railway Company are occupied. Your Committee cannot avoid drawing attention to the fact, that the promoters of the line which is our nearest rival route—the gentlemen with whom Sir Hugh Allan has been acting—depend wholly upon the sale of their lands for means to construct that railway. It is, therefore, of extreme importance to the promoters of that line, the Northern Pacific, to get control of the Canadian lands (which almost equal in area England and Scotland), and to retard their settlement until their own are disposed of.

“No more suicidal policy could be pursued by the people of Canada than to allow their rivals to have such an interest in this national undertaking as would virtually transfer to them the ownership and control of 50,000,000 acres of Canadian territory; would invest them with the direction of the immigration policy, which must be inaugurated for the settlement of those lands; confer upon them the power to influence the construction and progress of the railway, and grant to them, in perpetuity, a monopoly of the traffic over the Canadian, which is the shortest and best trans-continental route.

“Your Committee firmly believe that amalgamation means the admission of this rival United States interest into the organization of the Canadian enterprise, and that once admitted and wielded for one object, it would speedily master the divided and weakened Canadian representation. They consider that this danger far outweighs any possible advantage that could result from union with Sir Hugh Allan and his associates. They are convinced that the public would shrink from committing themselves and their means to the undertaking, and they therefore respectfully recommend that the Board of Directors of this Company inform the Government that they cannot be parties to any amalgamation with the Canada Pacific Company, but are prepared forthwith to enter into arrangements on behalf of the Interoceanic Company for the construction and working of the Canadian Pacific Railway.

“All of which is submitted.

(Signed) “D. L. MACPHERSON.
“W. SHANLY.
“W. H. HOWLAND.

(Signed) “C. H. FAIRWEATHER.
“FRED. CUMBERLAND.

CANADA.

“After discussion of the foregoing Report, the following Resolution was carried unanimously :—

“‘That the Report of the Executive Committee, just read, be approved and adopted, and that the President be requested to transmit a copy of the same to the Government, as setting forth the reasons of this Board for declining amalgamation with the Canada Pacific Railway Company.’

“A true extract from the minutes of the Provisional Board of the Interoceanic Railway Company of Canada.

“Toronto, Sept. 28, 1872.”

(Signed) “JOHN HAGUE,

“Provisional Secretary.

“SIR,

“Ottawa, October 7, 1872.

“I am directed to acknowledge the receipt of your letter of the 28th ultimo, and inclosures, informing this Department that the Interoceanic Railway Company of Canada declines its amalgamation with the Canada Pacific Railway Company, as proposed by the Government, and intimating that the Company is prepared to enter into arrangement for the building and working of the Canadian Pacific Railway.

“I have, &c.,

(Signed) “E. PARENT,

“Under-Secretary of State.

“Hon. D. L. Macpherson,

“President, Interoceanic Railway Company, Toronto.”

“Department of Secretary of State,

“Ottawa, October 16, 1872.

“SIR,

“I am directed to transmit to you the enclosed copy of a ‘Memorandum of the ‘Canada Pacific Railway Company,’ upon the statement submitted by the Interoceanic Railway Company to the Government of Canada.

“I have, &c.,

(Signed) “E. PARENT,

“Under-Secretary of State.

“Hon. D. L. Macpherson,

“President, Interoceanic Railway Company, Toronto.”

“Memorandum of the executive Committee of the Interoceanic Railway Company of Canada, upon the Memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company, dated 12th October, 1872.

“The undersigned, the Executive Committee of the Interoceanic Railway Company, offer their acknowledgments to the Honourable the Privy Council, for communicating to them the Memorandum of the Canada Pacific Company upon the communication addressed to the Government by the Interoceanic Company, on the 30th September last; setting forth their reasons for declining amalgamation with the Canada Pacific Company.

“The undersigned beg to say that when transmitting that statement to the Government, the Interoceanic Company had no intention of entering upon a controversy with the Canada Pacific Company through the medium of the Government. But they do not regret that the Government saw fit to communicate it to the Canada Pacific Company. The object of the Interoceanic Company was merely to communicate, frankly, to the Government the reasons which prevented their complying with the request of the Government to amalgamate with that Company.

“The Interoceanic Company decided against amalgamation after mature deliberation, and under the firm persuasion that they were acting in the true interests of the country. The undersigned will now proceed to comment briefly upon the Memorandum of the Executive Committee of the Canada Pacific Company.

“The undersigned observe that the Committee of the Canada Pacific Company profess to concur fully in the opinion which the Interoceanic Company holds, namely, that the importance to Canada of the Canadian Pacific Railway being owned and worked pre-eminently as a Canadian enterprise, cannot be exaggerated. It is matter for regret that the Canada Pacific Company, or its chief promoter, did not always entertain this opinion;

had they or he done so, it is probable the Interoceanic Company would never have sought incorporation.

"The Committee of the Canada Pacific Company seem anxious to establish that the promoters of that Company are more Canadian than the promoters of the Interoceanic Company, because the draft Charter, as originally submitted to Parliament by the former Company, provided that all the Directors should be British subjects, while that of the Interoceanic Company only required that a majority should be so. The undersigned must express surprise that any importance should seem to be attached to what is manifestly unimportant, if not positively trivial. To make the Company really Canadian, it is necessary that the greater part of the stock should be *bonâ fide* held by Canadians and British subjects.

"It was the purpose of the Interoceanic Company to secure that object, and, it once secured, they saw no reason for excluding any class of their fellow-citizens, whether native born or alien, from participating in the management of the Company.

"Shareholders have the power to control the policy of Companies; Directors are merely their agents or deputies to carry it out. If Canadians hold *bonâ fide* a controlling amount of the stock of the Canadian Pacific Railway, they will see that the Directors, whatever their nationality, manage the undertaking for the advantage of the shareholders and of Canada; but if a controlling portion of the stock is held by citizens and residents of the United States interested in a rival railway, they will see that their Directors carry out their policy regardless of Canadian interests, even if the law required every member of the Board to be a British subject and a resident of Canada; under such circumstances if any of the Directors prove too patriotic to give effect to the designs of the foreign shareholders, they will be removed and more subservient men elected in their stead.

"The Committee of the Canada Pacific Company argue at great length, that under their proposal for amalgamation it would be impossible to alienate any portion of the public subsidies from the purposes for which they were intended, and that an attempt to alienate them, if made, would result in a forfeiture of the agreement.

"The undersigned see no force or weight in this argument. But even if it has some force, as far as it applies, it would be of little moment; for desirable though it be that the advantages resulting from the construction of the railway should be insured to Canadians, yet these advantages are insignificant when compared with those that would follow the ownership of the road after completion, *viz.* the possession of a vast territory in the heart of the Dominion, and the control of a large trans-continental traffic.

"The undersigned regret that the Committee of the Canada Pacific Company, while admitting the respectability of the Directors of the Interoceanic Company from the Province of Quebec, should have made three of those gentlemen the subject of invidious attack. The gentlemen referred to are too well known, at home and abroad, as successful merchants of high character and wide influence, to require any vindication from this covert and unwarranted attack. They compare favourably with any gentleman upon the Provisional Board of the Canada Pacific Company, or any other Board of Directors in the Dominion.

"The undersigned do not know what is referred to in the following extract from the Memorandum of the Committee of the Canada Pacific Company:—'And as to the other gentlemen whose names appear in the Bill of the Interoceanic Company, but who did not take part in that meeting, the well-known circumstances of their reception into that Company prevent the expectation that they will exercise any influence in its favour.'

"If the insinuation is intended to charge that the names of any gentlemen were introduced into the Charter of the Interoceanic Company, either as Provisional Directors or Corporators, without their knowledge and consent, the undersigned meet that charge by the most unqualified denial. Of the one hundred and seven names which appear in the Charter of this Company, no name was placed there except at the solicitation or with the permission of the gentleman named; but the undersigned have been given to understand that of the eighteen names which appear in the Charter of the Canada Pacific Company, more than one, and that too of the more influential among them, were used without permission.

"The Committee of the Canada Pacific Company deny, in most distinct terms, that that Company have in any way interfered in politics.

"The undersigned can only assume that the Committee desires to state that no interference in politics took place under authority of a formal resolution of the Provisional Directors of that Company.

"The public press has made the whole country aware of pressure having been brought to bear upon the Government by Sir Hugh Allan during the Montreal election.

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"On the eighth day of August last, Sir Hugh Allan delivered a public speech, of which a report appeared in the newspapers published on the following morning. Sir Hugh, then as now, President of the Canada Pacific Company, in that speech, referring to the contract for that enterprise, declared that he had received pledges from Sir George Cartier which were entirely satisfactory to him. His own words were:—'I have every reason to be satisfied with what Sir George has done.' Unless it can be shown that the Provisional Directors of the Canada Pacific Company disapproved of and annulled the agreement or arrangement which Sir Hugh Allan, their President, declared he had concluded to his own entire satisfaction, the undersigned submit that the Canada Pacific Company must be held to be parties to that agreement.

"The undersigned consider that it would have been proper in the Canada Pacific Company to have communicated that agreement to the Interoceanic Company when proposing amalgamation.

"The Interoceanic Company have at all times studiously avoided everything calculated to arouse sectional feeling, and have always held that all traffic intended for the Maritime Provinces and for shipment to Europe via the St. Lawrence, should go by Montreal; but they have likewise held that the interests of the Railway Company and of the Dominion require that the location of the Pacific Railway shall be as near the settled and tax-paying districts of Ontario as the reasonable directness of the line to tide-water may permit. While the Interoceanic Company have avoided all sectionalism, it will be noticed by those who may read Sir Hugh Allan's speech, already referred to, that he unfortunately excites it, and to justify his doing so, advances the extraordinary doctrine, that those for the transport of whose products and merchandise railways are constructed 'have a less direct interest' in their location and economical construction and running than those who have merely the handling of the property at a port of transshipment.

"The Committee of the Canada Pacific Company admit that negotiations were carried on between Sir Hugh Allan and certain American capitalists for the formation of a Company to construct and run the Canadian Pacific Railway, but they say 'that this negotiation was not initiated by Sir Hugh, but was commenced and supported by influential persons in Canada, as being the only combination that offered itself at the time for the construction and running of the road, and they are satisfied that that negotiation never possessed the character attributed to it by the Interoceanic Company, and that they know Sir Hugh Allan would never have consented to embark with foreign capitalists in a Canadian enterprise in which he takes so great an interest without the most perfect securities and guarantees for its control and conduct in the interest of Canada.'

"If, as may be implied from the above, Sir Hugh Allan provided 'securities and guarantees' for the control of the railway by Canadians, the undersigned submit that the production of the agreement would be the satisfactory mode of enabling the Government and country to judge of their sufficiency.

"They must add, however, that in the opinion of the Interoceanic Company, nothing short of the ownership of the undertaking by Canadians would afford real security or guarantee for its control and conduct in the interests of Canada.

"The undersigned are not aware who the influential gentlemen are to whom the Committee refer. They never heard any influential gentleman named as having negotiated with American capitalists except Sir Hugh Allan himself. The Committee of the Canada Pacific Company declare that their Company 'never participated in the negotiations referred to, and never considered or entertained any proposition, suggestion, or intention of asking aid from American capitalists, or of combining with them for the prosecution of the railway or for any other purpose. The only negotiations they have carried on are those already alluded to with British capitalists, and they have never even communicated on the subject of the railway with any outside Canada or Great Britain.'

"The undersigned confess that this statement surprises them, and they have reason to believe the American capitalists with whom Sir Hugh Allan has been negotiating would be equally surprised if they had communication of it, but the undersigned assume that the Executive Committee only mean it to be understood that the Canadian Pacific Company did not authorize, by formal resolution of the Directors, any negotiations with capitalists in the United States. While accepting the denial made on behalf of the Canada Pacific Company, the undersigned assume, as they have already stated, that it is not intended to apply to the acts of their President, for the undersigned learn from one of the promoters of the Interoceanic Company, who has had the opportunity of com-

municating with gentlemen in the United States who were parties to and interested in the arrangement made with Sir Hugh Allan, that they consider the same to be still in force, but that owing to the feeling existing in Canada against the Canadian Pacific Railway being owned by Americans, they, the Americans, would not in future be known in the project.

“The American capitalists had been led to expect that the amalgamation of the two Canadian Companies would have been effected in September last.

“The undersigned are given to understand, through the same source, that the scheme of the ‘American’ or ‘Allan’ combination for constructing and running the railway, is to connect at Sault St. Marie and at Pembina with the Northern Pacific Railway, and use that line when built between the two points named; that it is intended to send all the traffic between the West, including British Columbia and the Atlantic cities, by the American lines of railway, *viâ* St. Paul, and sending through Canada only the traffic destined for Europe and the Maritime Provinces.

“This information was obtained by the undersigned about the time the Memorandum of the Committee of the Canada Pacific Company, under consideration, was written. The undersigned feel bound to communicate it to the Government. It confirms in a remarkable manner the opinion expressed to the Government by the InterOceanic Company, and justifies the decision of that Company against amalgamation.

“The correspondent to whom the undersigned are indebted for this information uses the following language in commenting upon it, in which the undersigned fully concur: ‘If this (scheme) is carried out, our great national enterprise, instead of being the successful rival of the American Company, competing for the Asiatic trade, which is now in its infancy, and building up the Dominion as no other undertaking can do, will simply be the Canadian branch of the Northern Pacific Railroad, entirely under its control and dictated to by it relentlessly.’

“The undersigned beg to say that they do not yield to any Company or individual in the earnest desire to promote the earliest possible construction of the Canadian Pacific Railway, compatible with its being a strictly Canadian and British enterprise, and the Canadian Pacific Company cannot more sincerely than the undersigned desire to aid the Government in carrying out this great national undertaking. It would, however, be doing the Government poor service to agree to amalgamation unless the InterOceanic Company believe that the Amalgamated Company would constitute a distinctively Canadian Company of sufficient strength to carry the undertaking to a successful issue. The undersigned are of opinion that amalgamation with the Canada Pacific Company would not lead to this result. They deem it their duty to state to the Government that in their opinion the admitted negotiations of Sir Hugh Allan with gentlemen in the United States, resulting in an arrangement or understanding which is considered opposed to Canadian interests, and which the undersigned, from information in their possession and referred to above, have reason to believe is still substantially existing, will continue to cause the Canadian people to view with suspicion, and prevent their subscribing stock in any Company in which Sir Hugh Allan and his associates appear controlling parties. The undersigned are of opinion that this feeling, instead of being confined to a limited circle, as the Committee of the Canada Pacific Company allege, will be found to influence the people of the whole Dominion.

“The undersigned venture to remind the Government that books for applications for stock in the Canada Pacific Company have been open for months at the capitals of, and large towns in, all the Provinces of the Dominion.

“The Pacific Company have thus had the best means of ascertaining the favour with which they are regarded by the capitalists and people of Canada.

“It is somewhat surprising that their Committee do not, in their Memorandum, inform the Government what amount of stock has been applied for and subscribed up to a given day, say to the first day of October last. Instead of doing so, the Committee’s Memorandum is conspicuously silent in respect to the countenance and aid their Company expect from Canadian sources.

“From this silence, were it not for their repeated protestations that their Company would be pre-eminently Canadian and British, it might fairly be assumed that the Directors had little or no expectation of making it so. For the reasons given above, and those stated in their communication of the 30th September last, the undersigned, on behalf of the InterOceanic Company, feel themselves under the necessity of again declining amalgamation with the Canada Pacific Company; but they beg to reiterate, that from the assurances they have received from capitalists in this and the other Provinces and in England, the InterOceanic Company, as an independent organization,

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can undertake to construct and run the Pacific Railway in the full confidence of carrying the work successfully to completion, through the instrumentality of a Canadian any British proprietary.

"All of which is respectfully submitted.

(Signed)

"D. L. MACPHERSON.

"W. SHANLY.

"C. H. FAIRWEATHER.

"W. H. HOWLAND.

"Office of the Interoceanic Railway Company of Canada,

"Toronto, 25th Nov., 1872.

"I certify that the foregoing is correctly copied from the Minute-book of the Interoceanic Railway Company.

(Signed)

"JOHN HAGUE, Provisional Secretary.

"Toronto, 25th November, 1872."

"Department of the Secretary of State,

"Ottawa, 22nd October, 1872.

"SIR,

"I am directed to forward you the enclosed copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, relative to the Canadian Pacific Railroad.

"I have, &c.,

(Signed)

"E. PARENT, Under-Secretary.

"Hon. D. L. Macpherson,

"President, Interoceanic Railway Co., Toronto."

"Office of the Interoceanic Railway Company of Canada,

Toronto, 25th October, 1872.

"Sir,

"I have the honour to acknowledge receipt of a copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive Committee of this Company, relative to the Canadian Pacific Railroad.

"I shall take the earliest opportunity of laying it before the Directors of this Company.

"I have, &c.,

(Signed)

"D. L. MACPHERSON.

"Provisional President, Interoceanic R. Co.

"To the Hon. the Secretary of State, Ottawa."

"Office of the Interoceanic Railway Company of Canada,

"Toronto, 25th October, 1872.

"SIR,

"I have the honour to acknowledge receipt of a copy of a 'Memorandum of the 'Canada Pacific Railway Company,' upon the statement submitted by the Company to the Government.

"I shall lay it before the Directors of this Company with as little delay as possible.

"I have, &c.

(Signed)

"D. L. MACPHERSON,

"Provisional President, Interoceanic R. Co.

"To Hon. J. C. Aikins, Secretary of State, Ottawa."

"Office of the Interoceanic Railway Company of Canada,

"Toronto, 26th November, 1872.

"SIR,

"I have the honour to enclose a 'Memorandum of the Executive Committee of the Interoceanic Railway Company of Canada upon the Memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company,' dated 12th October, 1872.

"I regret the delay that has taken place in transmitting to the Government the reply of this Company to the Memorandum of the Canada Pacific Railway Company. It has

been caused by the absence from Toronto of members of the Executive Committee of this Company, one of whom is still absent in England.

“ I have, &c.,

(Signed) “ D. L. MACPHERSON,

“ Provisional President, Interoceanic R. Co. of Canada.

“ To the Hon. the Secretary of State, Ottawa.”

“ Office of the Interoceanic Railway Company of Canada.

“ SIR,

“ Toronto, 28th Nov., 1872.

“ I have the honour to enclose a Memorandum from the Executive Committee of the Interoceanic Railway Company, referring to a Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General on the 16th day of October last, a copy of which you transmitted to me for the information of the Interoceanic Railway Company of Canada.

“ I regret the delay that has taken place in transmitting to the Government the accompanying Memorandum; it has been caused by the absence from Toronto of members of the Executive Committee of this Company, one of whom is still absent in England.

“ I have, &c.,

(Signed) “ D. L. MACPHERSON,

“ Provisional President of the Interoceanic Railway Co. of Canada.

“ To the Honourable the Secretary of State, Ottawa.”

“ MEMORANDUM.

“ Office of the Interoceanic Railway Company of Canada,

“ Toronto, November 28, 1872.

“ The undersigned Executive Committee of the Interoceanic Railway Company of Canada have the honour to state, that they have had under consideration the Report of the Committee of the Honourable the Privy Council upon the subject of amalgamation of the Interoceanic Company and the Canada Pacific Railway Company, approved by his Excellency the Governor-General in Council on the 16th day of October last, and transmitted to the Provisional President of this Company. In reply, the undersigned beg respectfully to state, for the information of his Excellency the Governor-General, that the communications addressed to the Government by this Company, on the 30th day of September last and on the 25th day of November inst., fully set forth the reasons which induced this Company to decline amalgamation with the Canada Pacific Railway Company.

“ The undersigned deem it unnecessary to re-state those grounds. They will merely add that the promoters of the Interoceanic Company are satisfied that the amalgamation of that Company with the Canada Pacific Company would not fulfil the anticipations of the Government, because, in their opinion, it would not secure the confidence of the people of the Dominion for the amalgamated Company, and that consequently amalgamation, under such circumstances, would be followed by certain failure when the time arrived for organizing the Company upon a Canadian proprietary basis.

“ The principal matters referred to in the Report of the Committee of the Honourable the Privy Council having been, as already stated, discussed at length in the two communications above referred to, the undersigned only consider it necessary to remark upon one other point, now, for the first time, brought under the notice of the Interoceanic Company.

“ The undersigned, with the utmost respect, beg to state they gather from the Report of the Honourable the Privy Council, that the Government impliedly charges the promoters of the Interoceanic Company with remissness in not communicating with the Government during the summer of 1871, and making a proposition for constructing and running the Canadian Pacific Railway.

“ The undersigned submit that they do not see how they could have done so before the Government had announced its readiness to receive propositions.

“ The Committee of the Honourable the Privy Council furnishes, in the opinion of the undersigned, an answer to this charge, as it appears by the Report that when Mr. Waddington and his associates approached the Government to tender for the construction and running of the railway, they were informed that the Government was not in a position to enter into negotiations.

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"Should the refusal of the Interoceanic Company to amalgamate result in excluding it from all connection with the Canadian Pacific Railway, the undersigned and their associates will nevertheless have the satisfaction of knowing that if that great national undertaking remains in Canadian and British hands it will be due, in no small measure, to their efforts, and that if it should unfortunately fall into foreign and rival hands, it will be through no fault of theirs, but in the face of their most strenuous exertions to avert so great a calamity.

"All of which is submitted.

(Signed) "D. L. MACPHERSON.
"C. H. FAIRWEATHER.
"W. SHANLY.
"W. H. HOWLAND.

"Toronto, Nov. 28, 1872.

"I certify that the foregoing Memorandum is correctly copied from the Minute-book of the Interoceanic Railway Company of Canada.

"JOHN HAGUE,
(Signed) "Provisional Secretary."

"Department of Secretary of State,
"Ottawa, Dec. 2, 1872.

"SIR,

"I have the honour to acknowledge your letter of the 28th ultimo, enclosing a Memorandum from the Executive Committee of the Interoceanic Railway Company, referring to a Report of a Committee of the Honourable the Privy Council, dated 16th October last.

"Yours, &c.,
(Signed) "E. PARENT.

"The Honourable D. L. Macpherson, Senator, Toronto."

Enclosure No. 3.

"CORRESPONDENCE BETWEEN SIR HUGH ALLAN AND HIS AMERICAN PARTNERS.

(FROM THE 'MONTREAL HERALD.')

"The following portion of the documentary evidence, showing the corrupt nature of the negotiations between Sir Hugh Allan and the Government, in connection with the granting of the Pacific Railway Charter, has come into our possession.

(Telegraph.)

"'Father Point, October 8, 1871.

"'Send me by mail, care of Allan Bros. & Co., Liverpool, the names of the parties engaged with us in the railroad enterprise.

(Signed) "'H. ALLAN.

"'To C. M. Smith, of Chicago, Metropolitan Hotel, New York.'"

(Letter.)

"'DEAR MR. SMITH

"'London, E.C., Nov. 4, 1871.

"'I find a considerable interest manifested here by moneyed men in our scheme of a Dominion Pacific road, and if we desire to raise funds here to carry on the work, I have no doubt they can be obtained. I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back. I propose to sail some time this month.

"'Yours truly,
(Signed) "'HUGH ALLAN.'"

(Telegraph.)

"'Montreal, Dec. 7, 1871.

"'I do not think the Government at Ottawa will be prepared to deal with us sooner than the 18th inst. Sir F. Hincks is here, and hints at necessity of advertising for tenders to avoid blame.

(Signed) "'HUGH ALLAN.

"'To C. M. Smith, Banker.'"

(Telegraph.)

"Montreal, Dec. 8, 1871.

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"I have seen Sir Francis to-day. He says they have determined to advertise, and that it is no use to visit Ottawa at present. I write you by mail.

(Signed) "HUGH ALLAN.

"C. M. Smith, Banker."

(Letter.)

"DEAR SIR,

"Montreal, Dec. 8, 1871.

"Sir Francis Hincks called at my office this day, and said that, while he was as anxious as ever to arrange with us about the railroad, the feeling of the Government is that if they closed an agreement with us without advertising for tenders, they would be attacked about it in the House. I think this may be true, and in view of it I see no use in our going to Ottawa at present; but I think we should meet and arrange preliminaries ourselves and decide on a course of action. If, therefore, you could come here about the 15th instant, I would go on to New York with you on the 18th, and we could then put the affair in shape. Please advise me if this suits you.

"Yours truly,

"To C. M. Smith, Esq., Chicago."

(Signed) "HUGH ALLAN.

"DEAR SIR,

"Montreal, Dec. 29, 1871.

"I have your note from Pictou, but I have not heard from New York since I left there. A good many rumours are afloat regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views, not that he has any proposal to make, but he wants to stop the Pacific Railway altogether. A party in the interest of the Hudson's Bay Company, consisting of Donald A. Smith, D. McInnes, G. Laidlow, G. Stephen, Daniel Torrance (of New York), and one or two others, have given notice in the 'Official Gazette' that they will apply for a Charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us. I go to Ottawa on Wednesday, and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

"Yours truly,

"To G. W. McMullen, Esq., Pictou, Ont."

(Signed) "HUGH ALLAN.

"DEAR MR. McMULLEN,

"Montreal, January 1, 1872.

"I saw Mr. Brydges yesterday, and found out pretty nearly what he will require to join our railway project. His terms are very high; but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it till after the elections. I go to Ottawa on Wednesday, and will see what they propose to do. I will write you as soon as I find out. I intend to return back to here on Saturday night. Wishing you the compliments of the season,

"I am, yours truly,

(Signed) "HUGH ALLAN.

"P.S.—I have a telegram from you this moment, advising me that you are going to New York; I therefore send this letter to the St. Nicholas Hotel there."

"GENTLEMEN,

"Montreal, January 24, 1872.

"My subscription of \$1,450,000 to the stock of the proposed Canada Pacific Railway Company includes the sum of \$200,000, furnished jointly by you and myself, to be transferred, in whole or in part, to Mr. C. J. Brydges, on condition of his joining the organization, and giving it the benefit of his assistance and influence. In case he refuses or neglects to join before the 15th day of April next, I will transfer at once thereafter to you jointly \$100,000 of the before-named subscription, and in case Mr. B.'s influence and co-operation can be secured for a less interest in the Railway Company than the before-mentioned amount, then I will transfer to you one-half of any residue that remains of the said \$200,000 after Mr. Brydges' accession to the Company has been secured. It is, however, understood that any residue, or portion of the \$200,000 named, may be used to secure any other influence deemed by myself and you desirable or important, on the same terms as is proposed in regard to Mr. Brydges, and may apply to others in addition to him.

"Yours truly,

(Signed) "HUGH ALLAN.

"To Charles M. Smith and George W. McMullen."

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“ ‘ DEAR MR. McMULLEN,

“ ‘ Montreal, Feb. 5, 1873.

“ ‘ I returned yesterday from Ottawa. Everything looks well up till the present time; but I may tell you in strict confidence that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie to form an alliance and carry the elections next summer, with a view to leave Sir John A. out in the cold. This would not be quite so well for us; but I am going to Toronto on the 7th instant to look after our interest. We are all right with the ‘Globe.’ You have not yet sent me the articles of agreement signed by the parties. Send it immediately, as I need it in my negotiations. I will require you to come down here, by and by, to arrange the construction of the Company, and consult about other matters. In the printed Bill is there not a mistake about the land and taxation? Look at it.

“ ‘ Yours truly,

“ ‘ To G. W. McMullen, Chicago.

(Signed) “ ‘ HUGH ALLAN.

“ ‘ P.S.—I wrote you, but have not received any answer.’ ”

“ ‘ DEAR SIR,

“ ‘ Toronto, Feb. 23, 1872.

“ ‘ I find that Mr. Brydges is making a strong attempt by exciting national feeling to get up an opposition to us in our Pacific schemes. He is endeavouring to get up what he calls a purely Canadian Company, on the representation that we are going to make enormous profits out of it, the most of which will go to parties in the United States. He has written to influential men here, and in other parts of the country, urging them to subscribe stock merely as security, for they never will be called on to pay anything, and he says the Government must give a preference to a Canadian Company. I do not know to what extent he has been successful.

“ ‘ Yours truly,

“ ‘ To C. M. Smith, Chicago.’ ”

(Signed) “ ‘ HUGH ALLAN.

“ ‘ DEAR SIR,

“ ‘ Toronto, February 24, 1872.

“ ‘ Since writing to you yesterday, I have seen Mr. D. L. Macpherson, of Toronto, who is a member of the Dominion Senate, and rather an important person to gain over to our side. He has been applied to by our opponents, and uses that as a lever by which to obtain better terms from us. He insists on getting \$250,000 of stock, and threatens opposition if he does not get it. You will remember, he is one of those I proposed as Directors. I will do the best I can, but I think that McMullen, you, and myself will have to give up some of our stock to conciliate these parties.

“ ‘ Yours truly,

“ ‘ C. M. Smith, Esq., Chicago.’ ”

(Signed) “ ‘ HUGH ALLAN.

“ ‘ DEAR SIR,

“ ‘ Montreal, February 28, 1872.

“ ‘ It seems pretty certain that, in addition to money payments, the following stock will have to be distributed:—D. L. Macpherson, \$100,000; A. B. Foster, \$100,000; Donald A. Smith, \$100,000; C. J. Brydges, \$100,000; J. J. C. Abbott, \$50,000; D. McInnes, \$50,000; John Shedden, \$50,000; A. Allan, \$50,000; C. S. Gzowski, \$50,000; George Brown, \$50,000; A. S. Hincks, \$50,000; H. Nathan, \$50,000; T. McGreevy, \$50,000—total, \$850,000. To meet this I propose that we give up of our stock as follows:—C. M. Smith, \$250,000; G. W. McMullen, \$250,000; Hugh Allan, \$350,000—total, \$850,000. Please say if this is agreeable to you. I do not think we can do with less, and may have to give more. I do not think we will require more than \$100,000 in cash, but I am not sure as yet. Who am I to draw on for money when it is wanted, and what proof of payment will be required? You are aware I cannot get receipts. Our Legislature meets on the 11th of April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope to meet them all successfully. Write to me immediately.

“ ‘ Yours truly,

(Signed) “ ‘ HUGH ALLAN.

“ ‘ C. M. Smith, Esq., Chicago.

“ ‘ P.S.—I think you will have to go it blind in the matter of money—cash payments. I have already paid \$8,500, and have not a voucher, and cannot get one.’ ”

“ ‘ MY DEAR MR. McMULLEN,

“ ‘ Montreal, March 4, 1872.

“ ‘ Mr. Macpherson, of Toronto, and Mr. Brydges here, have both notified me to-day that they decline to join us in the Canadian Railway scheme. Their reasons are that the Company is too largely American, and that they want to see it in the hands of

Canadians. They tried to detach me from the Company we have formed and get me to join theirs, which of course I declined. I don't know what they can do against us, but I intend going to Ottawa on Monday, the 11th inst., and will try and find out something about it. I will be in Ottawa most of the week.

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“ ‘Yours truly,
(Signed) “ ‘HUGH ALLAN.’ ”

“ ‘DEAR MR. McMULLEN,

“ ‘Montreal, April 16, 1872.

“ ‘I must remain here to-night to write my letters for the English mail, which I have been rather neglecting of late. You might make use of your time in seeing such of the Ministers as you can reach, but I wish especially that you would arrange that you and I together should see Sir John A. at 11 o'clock on Thursday. Telegraph me to Prescott Junction to-morrow if you can do this. I enclose a letter which came enclosed to me from New York this day. What can be the matter there? I ought to arrive at Ottawa at 4.30 to-morrow P.M. (Wednesday).

“ ‘Yours truly,
(Signed) “ ‘HUGH ALLAN.’ ”

“ ‘DEAR SIR,

“ ‘Montreal, June 12, 1872.

“ ‘I have this day received a telegram from you, dated New York, asking me to meet you in Ottawa to-morrow on important business. I am unable to go, and if the important business refers to the Pacific Railway scheme, I do not think it necessary I should go. I believe I have got the whole arranged through my French friends, by means you are aware of, and we have now a pledge of Sir G. that we will have a majority, and other things satisfactory. I have told you all along that this was the true basis of operations, and anything else was powder and shot thrown away, and I think so still. You should come here and see me before you carry out any important transaction or pay any money. I want you to get a correct copy of the Government Bill and our own Bill, because we have first to consider how far they will suit our friends, and we may have to go to New York to consult them. I will be in town to-morrow and Friday. I will be absent on Saturday, but will return here on Monday and be here till Friday.

“ ‘G. W. McMullen, Esq.,
“ ‘Russell Hotel, Ottawa.’ ”

“ ‘Yours truly,
(Signed) “ ‘HUGH ALLAN.’ ”

“ ‘MY DEAR MR. McMULLEN,

“ ‘Montreal, July 16, 1872.

“ ‘I feared you had got entirely lost in the depths of matrimony, but I am glad to notice by your letter dated 11th instant that you have got safely back. Since I saw you the Pacific Railway “Canada” scheme had gone through many phases, and its present position is difficult to be described. Sir Geo. Cartier has been in town for some days, and I have had several interviews with him. He now tells me that he does not now, and never did, intend to deal with either Macpherson's Company or ours, and that he only allowed them to get incorporated as a matter of *amusement*, but he says he always intended that the Government would form its own Company, would carry on the work under the orders of the Government, according to the views of the Government engineers, and with money furnished by the Government. He says that he and Sir John A. made up their minds to this long ago, but did not tell any of their colleagues. A kind of negotiation is going on with Macpherson and myself, relative to the composition of this Government Company, but it has not come to anything as yet; meantime, the period of the elections is drawing near, and unless the matter is arranged satisfactorily to Lower Canada, Sir George Cartier's prospect of being returned is very slim indeed. I cannot foresee with any certainty the ultimate result, but the decision cannot be long put off. I will advise you as soon as anything is positively known.

“ ‘Yours truly,
(Signed) “ ‘HUGH ALLAN.’ ”

“ ‘The following is addressed to an American gentleman in a very high position in New York, whose name has been given to us, but which is for the present withheld :—

“ ‘MY DEAR SIR,

“ ‘Montreal, July 1, 1872.

“ ‘The negotiations regarding the Canadian Pacific Railway are now approaching a termination, and I have no reason to doubt they will be favourable to us. I have been

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given to understand by Mr. McMullen that he has regularly kept you informed of the progress and position of affairs, hence I have not communicated with you as often as I otherwise would have done. No doubt he has informed you that, thinking as I had taken up the project there must be something very good in it, a very formidable opposition was organized in Toronto, which, for want of a better, took as their cry; 'No foreign influence; no Yankee dictation; no Northern Pacific to choke off our Canadian Pacific,' and others equally sensible. So much effect, however, was produced both in and out of Parliament by these cries, that, after consultation with Mr. McMullen, I was forced unwillingly to drop ostensibly from our organization every American name, and to put in reliable people on this side in place of them. It will have been apparent to you that at this point Mr. McMullen and I differed a little as to the means to be adopted to influence the Government itself. Two opposing Companies, desiring to build the railroad, were formed, the one from Ontario having the greatest number of names, while that from Quebec had the greatest political power. Mr. McMullen was desirous of securing the inferior members of the Government, and entered into engagements of which I did not approve, as I thought it was only a waste of powder and shot. On a calm view of the situation, I satisfied myself that the decision of the question must ultimately be in the hands of one man, and that man was Sir George E. Cartier, the leader and chief of the French party. This party has held the balance of power between the other factions; it has sustained and kept in office and existence the entire Government for the last five years; it consists of forty-five men, who have followed Cartier and voted in a solid phalanx for all his measures. The Government majority in Parliament being generally less than forty-five, it follows that the defection of one-half or two-thirds would at any time put the Government out of office. It was therefore evident that some means must be adopted to bring the influence of this compact body of members to bear in our favour, and as soon as I made up my mind what was the best course to pursue, I did not lose a moment in following it up. A railroad from Montreal to Ottawa, through the French country, north of the Ottawa river, has long been desired by the French inhabitants; but Cartier, who is the salaried solicitor of the Grand Trunk road, to which this would be an opposition, has interposed difficulties, and by his influence prevented its being built. The same reason made him desirous of giving the contract for the Canada Pacific into the hands of parties connected with the Grand Trunk Railway, and to this end he fanned the flame of opposition to us; but I saw in this French railroad scheme and in the near approach of the general elections, when Cartier as well as others had to go to their constituents for re-election, a sure means of attaining my object, especially as I propose to carry it through to the terminus of the Pacific. The plans I propose are in themselves the best for the interests of the Dominion, and in urging them on the public I am really doing a most patriotic action. But even in that view, means must be used to influence the public, and I employed several young French lawyers to write it up in their own newspapers. I subscribed a controlling influence in the stock, and proceeded to subsidize the newspapers themselves, both editors and proprietors. I went to the country through which the road would pass, and called on many of the inhabitants. I visited the priests and made friends of them, and I employed agents to go among the principal people and talk it up. I then began to hold public meetings, and attended to them myself, making frequent speeches in French to them, showing them where their true interest lay. The scheme at once became popular, and I formed a Committee to influence the members of the Legislature. This succeeded so well that, in a short time, it had twenty-seven out of forty-five on whom I could rely, and the electors of the ward in this city, which Cartier himself represents, notified him that unless the contract for the Pacific Railway was given in the interests of Lower Canada, he need not present himself for re-election. He did not believe this, but when he came here and met his constituents, he found, to his surprise, that their determination was unchanged. He then agreed to give the contract, as required, in a way that there would be seventeen Provisional Directors, of which Ontario would have eight and we nine, thereby giving us the control. We at once proceeded to organize the Company, and they named me President, D. McInnes, of Hamilton, Vice-president, E. L. De Bellefeuille, Secretary, and Hon. J. J. C. Abbott, Legal Adviser. We have advertised that the books for subscription of stock will be opened on the 15th July, at the different places named in the Act, and we have notified the Government we are willing to take the contract for building the Canada Pacific Railway on the terms and conditions prescribed in the Act. The next thing to be done is to subscribe stock, which must be done by British subjects only, and ten per cent. of the subscription must be paid in cash at the time of subscribing. We have the right of subscribing nine-seventeenths at present, and of taking up whatever the other party may not subscribe at the end of the month.

I have arranged in the meantime that if you will send a certificate of the equivalent of \$1,000,000 gold, having been placed by Jay Cooke & Co. to the credit of the Merchants' Bank of Canada, Montreal, in their own bank, in New York, it will accept the cheeks for the subscription, but no money will pass till the contract is entered into, and then ten per cent. on the whole amount of stock awarded us will have to be paid into the Receiver-General. Be pleased, therefore, to send me as early as possible powers of attorney to subscribe stock, and Jay Cooke & Co.'s certificate above mentioned. I have had several letters from England, offering to take the whole thing up if we desire to part with it, but it looks to me to be too good to part with readily. If you wish any further information, I will go to New York next week, if you desire it, and communicate with you personally. Please telegraph if you wish to see me, and the day. As you may suppose, the matter has not reached this point without great expense,—a large portion of it only payable when the contract is obtained, but I think it will reach not much short of \$300,000.

“Yours faithfully,
(Signed) “HUGH ALLAN.

“P.S.—I presume you desire that unless we can obtain and secure a majority of the stock, you would not take any. But on this point I wish to be instructed.

(Signed) “H. A.”

—
“The following is to the gentleman before alluded to:—

“DEAR SIR,

“Montreal, August 7, 1872.

“I wrote you on 1st July, giving you a detailed account up till that date of the events and my movements in connection with the Canadian Pacific Railway. I have not had any acknowledgment of the receipt by you of that letter, but I suppose it reached you in due course. The question I asked you, however, remains unanswered, and I now proceed to inform you of the progress of the negotiations since the date of my letter. The policy adopted has been quite successful; the strong French influence I succeeded in obtaining has proved sufficient to control the elections, and as soon as the Government realized this fact, which they were unwilling to admit and slow to see, they opened negotiations with me. It is unnecessary to detail the various phases through which it passed, but the result is that we yesterday signed an agreement by which, on certain monetary conditions, they agree to form a Company, of which I am to be President, to suit my views, to give me and my friends a majority of the stock, and to give the Company so formed the contract to build the road on the terms of the Act of Parliament, which are \$30,000,000 in cash, and 50,000,000 acres of land, with all other advantages and privileges which can be given to us under the Act, and they agree to do everything in their power to encourage and assist the Company during the whole course of construction. The final contract is to be executed within six weeks from this date, probably sooner. Our opponents are to get a minority of the stock, and they regard us with great jealousy and dislike, in consequence of their defeat, and on that account the Government is obliged to stipulate that no foreigner is to appear as a shareholder, so as to avoid the former cry of selling ourselves to the Northern Pacific, and succumbing to foreign influence. The shares taken by you and our other American friends, will therefore have to stand in my name for some time. We shall get six million dollars of the stock out of the whole capital of ten million of dollars. I again ask you if the parties are willing to take the reduced amount of stock in the same proportions, signed for previously. As it is my duty, I offer it to you, but there are plenty desirous of getting it;—ten per cent. on the amount will have to be paid up and deposited in the hands of the Government as security, but will be returned, I think, as soon as the work is fully begun. The expenses incurred in bringing the matter to this point have been very great. I have already paid away about \$250,000, and will have to pay at least \$50,000 before the end of this month. I don't know as even that will finish it, but I hope so. Of course this will all have to come from the subscribers to the six million stock. If you elect to go on with the subscription, I will visit New York about the end of this month, to settle the details with you. Please apply as early as convenient.

“I am, yours faithfully,
(Signed) “HUGH ALLAN.”

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“ ‘DEAR MR. McMULLEN,

“ ‘Montreal, August 6, 1872.

“ ‘I have been hoping from day to day that some conclusion, which I could communicate to you, would be arrived at, respecting the Pacific Railway negotiation, but some obstacle to cause delay always intervened. The near approach of the elections, however, and the stand taken by my French friends, that they would lend us help till I pronounced myself satisfied, has at length brought the matter to a crisis, and I think the game I have been playing is now likely to be attended with success. Yesterday we entered into an agreement, by which the Government bound itself to form a Company of Canadians, only according to my wishes. That this Company will make me President, and that I and my friends will get a majority of the stock, and that the contract for building the railroad will be given to this Company, in terms of the Act of Parliament. Americans are to be carefully excluded in the fear that they will sell it to the Union Pacific, but I fancy we can get over that some way or other. This position has not been attained without large payments of money. I have already paid over \$200,000, and will have at least \$100,000 more to pay. I must now soon know what our New York friends are going to do. They did not answer my last letter.

“ ‘Yours truly,

(Signed) “ ‘HUGH ALLAN.’ ”

“ ‘DEAR SIR,

“ ‘Montreal, September 16, 1872.

“ ‘I wanted at this time to have a meeting in New York, to see what our friends there were disposed to do, but to-day I have a letter from — stating that he is leaving New York for Chicago, there to join —, and the two are going to Puget Sound. They say, no meeting can be held till the 15th of July, which will not do at all. I hope in ten days or so to have the contract signed, and would like immediately after to go to England to raise the money to build the line. I have disbursed \$343,000 in gold, which I want to get repaid. I have still to pay \$13,500, which will close everything off. I will go to New York as soon as the contract is signed, say about the 17th of October, and would be glad to meet you there.

“ ‘Yours truly,

“ ‘Geo. W. McMullen.’ ”

(Signed) “ ‘HUGH ALLAN.

Enclosure 4 in No. 4.

“ EXPLANATORY STATEMENT OF SIR HUGH ALLAN.

(FROM THE ‘MONTREAL GAZETTE.’)

“ In reply to the letters which appeared in Saturday’s paper, Sir Hugh Allan has made the following affidavit :—

“ ‘I, Sir Hugh Allan, of Ravenscraig, in the Province of Quebec, Knight, being duly sworn, depose and say;

“ ‘That I have for some years past taken a strong interest in the development of railway communication throughout the Dominion of Canada, and particularly through the district of country lying to the westward of Montreal, with a view to increasing the facilities of communication between the seaboard and Western America. And that amongst other projects, my attention was early directed to the scheme for constructing a railway between Montreal, as the most Westerly Atlantic seaboard, and the Pacific Ocean.

“ ‘That in the autumn of 1871 I learned, in conversation with Sir Francis Hincks, that certain American capitalists had proposed to the Government, through Mr. Waddington, to organize a Company for the purpose of building the Canada Pacific Railway, but that no action had been taken upon their proposition. That, thereupon, inasmuch as no movement appeared to be contemplated in Canada for the purpose in question, and I doubted if Canadian capitalists could be induced to subscribe to it to any large extent, I obtained from Sir Francis Hincks the names of the persons who had been communicating with Government, and immediately placed myself in correspondence with them, for the purpose of endeavouring to form a Pacific Company, in advance of the measures which were expected to be taken by the Government at the then ensuing Session of Parliament.

“ ‘That, accordingly, after a certain amount of negotiation, I entered into an agreement with Mr. Smith, of Chicago, and Mr. McMullen, who was understood to represent

a certain number of American capitalists—in which I reserved for Canadians as much stock as I thought I could procure to be subscribed in Canada, the remainder to be taken up by the Americans interested and their friends. This agreement contemplated a vigorous prosecution of the work of construction, in conformity with the design of the Canadian Government so soon as it should be ascertained, provided the means to be placed at the disposal of the Company were such as in the opinion of the associates would justify them in undertaking the contract. And with regard to this agreement, I most distinctly and implicitly declare that neither in the agreement itself, nor in any conversation or negotiation connected with it, was there any stipulation, statement, or expressed plan, which had for its object any retardation of the work, or any other purpose than its completion throughout at as early a day as would be consistent with reasonable economy in building it. And more particularly, I declare that there was no intention expressed or implied, either in the agreement or in the negotiations which accompanied it, of placing it in the power of the Northern Pacific Railway or any other Company or body of men to obstruct the enterprise in any manner or way whatever.

“That no further steps of importance were taken by myself or associates up to the time of the opening of the Session of Parliament at Ottawa, in respect of the projected Company, except that I placed myself in communication with the Government, offering to organize a Company which would undertake the construction of the road, and discussing the question of the facilities and aid which the Government would probably recommend to be furnished by the country, and in the course of these discussions and negotiations, I endeavoured, as far as possible, to secure for myself the position of President of the projected Company, which was the position my associates were willing to allow me, and to which I thought myself entitled from the active part which I took in the great national enterprise to which the agreement and negotiations in question had reference. And as to this point I had reason to believe, from the first, that the Government was prepared to admit my claim.

“That when the time for the Session of the Canadian Parliament approached, I applied to Mr. Abbott to prepare the requisite legislation; and shortly after Parliament had opened I proceeded to Ottawa for the purpose of ascertaining how matters were progressing, and what prospect there was of a successful prosecution of the undertaking by myself and the persons who were then associated with me. That, previous to this time, however, I had communicated with a large number of persons in Canada on the subject of the proposed Company, requesting their co-operation and assistance, and endeavouring to induce them to subscribe for stock to such extent as I thought fair, considering their position and means. And though I did not meet with any great measure of success in procuring subscriptions of stock, yet it was quite as great as I had anticipated when making my arrangements with the American capitalists. In my negotiations with them, therefore, I provided for the distribution of the stock which those gentlemen were willing to subscribe, or which I believed they would eventually be willing to subscribe, upon the formation of the Company.

“That, when I visited Ottawa, as stated in the last paragraph, I ascertained, by personal observation and communication with the Members of the House, that a strong prejudice had arisen against any connection with American capitalists in the formation of the proposed Company, the fear expressed with regard to that subject being that such capitalists would find it for their interest rather to obstruct the Canadian Pacific, and further the construction of the Northern Pacific, than to act in the interests of Canada by pressing forward the Canadian Road. And though I did not share this fear, and always believed, and still believe, that the persons who proposed to be associated with me would have gone on with the enterprise in good faith to the best of their ability, yet I found the feeling for the moment so strong that I judged it expedient and proper to yield to it, and therefore consented that the legislation to be presented to the House should exclude foreigners from the Company, and that the Directors should be exclusively Canadian.

“That a Bill incorporating the Canadian Pacific Company was then introduced into the House by Dr. Grant, who had been a prominent advocate of the Canadian Pacific scheme, and had introduced in the last previous Session a similar measure at the instance of the late Mr. Waddington and others who were then interesting themselves in the project.

“That notwithstanding that the Bill which was so introduced contemplated by its terms the exclusion of foreigners, I did not feel by any means convinced that the Government would insist upon any such condition, believing as I did, and do, that such a proposition was impolitic and unnecessary. I did not, therefore, feel justified in entirely breaking off my connection with the American associates, although I acquainted them

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with the difficulty which might arise if the Government took the same position which the majority of the people with whom I conversed at Ottawa appeared to do. I was aware that by the terms of the Bill introduced by the Government, they would have a controlling power as to the terms of the contract, and I was willing to abide by their decision as to the extent of interest, if any, which foreigners might be permitted to hold. And until that decision was communicated to me I felt in honour bound by the agreement I had made to leave the door open for the entrance of my American associates into the Company, unless the contingency arrived of a distinct prohibition by the Government against admitting them. And in informing them of the progress in the affair in Canada, as I did on certain occasions as an individual, and without implicating the Company of which I was a member, I considered that I was only acting fairly by them. And I did not intend thereby to bind, and as I conceive, did not in any way bind or compromise to my views the other members of the Canada Pacific Railway Company, with whom I did not think it necessary to communicate at all on the subject of my occasional correspondence with my American associates, the more especially as this correspondence was entirely private and confidential, and moreover was written with such inattention, as to accuracy of expression, as might be expected in correspondence intended only to be seen by those to whom it was addressed. During my stay at Ottawa, I had some communication of an informal character with members of the Government, and I found that they were still disposed to recognize the value of my services in endeavouring to organize a Company. But in view of the rivalry which appeared to exist in respect of the Pacific scheme, and the strong array of Canadian names which had been obtained by the Inter-Oceanic Company as associates in its project, nothing definite leading me to expect any preference for myself, or for the Company which I was endeavouring to organize, or indeed anything definite relating to the project, was said by the members of the Government with whom I communicated. It appeared to me that while their intentions and opinions had been freely expressed to me when no Company other than that which I was proposing to organize was likely to be formed, the presence of competition amongst Canadians for the contract had decided them to allow matters to take their own course until they should have been enabled to decide after the formation of the Canadian Companies what line of conduct would be most conducive to the interest of the country. And there was, therefore, very little said or done during the Session which gave me any clue to the views of the Government with respect to the course of action which they would probably ultimately adopt.

“ ‘ After the session, the Canada Pacific Railway Company, of which I was a member, proceeded to organize; and notified the Government that they were prepared to take the contract for building and running the Pacific Railway on the terms and conditions mentioned in the Government Bill. They caused stock books to be opened in various parts of the Dominion in conformity with the Act, and took such initiatory steps and such other proceedings as were necessary to enable them to act as an organized corporate body. That it soon after became evident to me that the Government would be best pleased to see an amalgamation of the two Companies incorporated by Parliament, in order that united action might be secured and the greatest strength obtained in the formation of a Canadian Company. And I therefore opened negotiations with the Inter-Oceanic Company for the purpose of endeavouring to effect such an amalgamation, and at the same time the Canada Pacific Company placed itself in communication with the Government with relation to the same subject. It was thereupon intimated that the Government were also desirous that the amalgamation should take place. That thereupon Mr. Abbott, a member of the Canada Pacific Railway Company, proceeded to Toronto to meet Senator Macpherson, and, if possible, to arrange terms of amalgamation that would be satisfactory to both Companies. And after a discussion of the matter during two or three days, in Toronto, between him and Mr. Macpherson, he reported to the Canada Company that there did not appear to be any material difficulty in the way of our amalgamation, except that the claim which I made to be President of the amalgamated Company, and to have the nomination of an equal number of the members of the new one to that nominated by Mr. Macpherson could not be acceded to. Mr. Macpherson's proposal was that he, as representing the Inter-oceanic Company, should have the nomination of a larger number of members in the amalgamated Company than I, and that the question of the Presidency should be left to the Board of Directors. With regard to the Presidency, Mr. Abbott informed the Company that Sir John Macdonald expressed himself as being favourable to my election as President, and that any influence the Government might possess among the members of the amalgamated Company would be exercised for the purpose of aiding in my election to that office, and that probably the difficulty as to the nomination of members to the new Company,

between myself and Mr. Macpherson, might be obviated in some way. In other respects, he reported that he could find no divergence of opinion as to the amalgamation of the two Companies between myself and Mr. Macpherson.

“After receiving Mr. Abbott's Report of the negotiation at Toronto, I felt satisfied that no difficulty would occur in bringing them to a successful termination. And as the late Sir George Cartier happened to be in Montreal shortly afterwards, and I was taking considerable interest in his re-election, I met him and had unofficial conversations with him on the subject of the Charter on several occasions, urging that the influence of the Government should be used to procure the amalgamation upon such terms as I considered would be just to myself and the Company over which I presided.

“That Sir George Cartier, was, as I was aware, communicating with the Premier on the subject of the Pacific Railway amongst others; and that at one of the interviews I had with him he showed me a communication from the Premier, of which the following is a copy :—

“July 26, 1872.

“Have seen Macpherson. He has no personal ambition, but cannot, in justice to Ontario, concede any preference to Quebec in the matter of the Presidency or in any other particular. He says the question about the Presidency should be left to the Board. Under these circumstances, I authorize you to assure Allan that the influence of the Government will be exercised to secure him the position of President. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections. Then the two gentlemen to meet the Privy Council at Ottawa, and settle the terms of a Provisional agreement. This is the only practical solution of the difficulty, and should be accepted at once by Allan. Answer.

(Signed) “JOHN A. MACDONALD.

“Sir George Cartier, Ottawa.’

“And Sir George Cartier on that occasion gave me the assurance which he was by that telegram authorized by the Premier to convey to me.

“That on further discussion with Sir George Cartier as to the course which the Government would probably take with regard to the amalgamation and the contract to be granted, I urged upon him certain modifications of the terms of the above telegram from Sir John Macdonald, and finally Sir George came to entertain the opinion that I was entitled to have certain of those modifications conceded to me, and expressed his willingness to recommend it to his colleagues. Being desirous of having as definite an expression of opinion from Sir George, as he felt himself justified in giving, I requested that he would put what he stated verbally to me in writing, and accordingly, on the 30th of July, 1872, he wrote to me the following letter :—

(Copy.)

“DEAR SIR HUGH,

“Montreal, July 30, 1872.

“I enclose you copies of telegrams received from Sir John A. Macdonald; and with reference to their contents I would say that in my opinion the Governor in Council will approve of the amalgamation of your Company with the Interoceanic Company, under the name of the Canadian Pacific Railway Company, the Provisional Board of the amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec by the Canada Pacific Railway Company, four from the Province of Ontario by the Interoceanic Railway Company, and the remainder by the Government; the amalgamated Company to have the powers specified in the tenth section of the Act, incorporating the Canada Pacific Railway Company, &c., the agreement of amalgamation to be executed between the Companies within two months from this date.

“The Canada Pacific Company might take the initiative in procuring the amalgamation; and if the Interoceanic Company should not execute an agreement of amalgamation upon such terms and within such limited time, I think the contemplated arrangements should be made with the Canada Pacific Company under its Charter.

“Upon the subscription and payment on account of stock being made, as required by the Act of last Session, respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any Company will be required to enable the works contemplated to be successfully carried through, and I

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am convinced that they will be accorded to the Company to be formed by amalgamation, or to the Canada Pacific Company, as the case may be. I would add, that as I approve of the measures to which I have referred in this letter, I shall use my best endeavours to have them carried into effect.

“ ‘Very truly yours,
(Signed) “ ‘GEO. E. CARTIER.’

“ I positively declare that up to the date of this letter I had not any undertaking of any kind or description with the Government, either directly or through any other person, than that contained in Sir John Macdonald’s telegram of the 26th of July, which is given above ; and that telegram and the above letter from Sir George Cartier contains everything that was ever stated or agreed to between any member of the Government and myself on the subject of the Pacific Railway project up to that date.

“ On the same day that I received the above letter from Sir George Cartier, I informed Sir John A. Macdonald of the contents of it, and asked for his sanction of the views which it contained. But he declined to concur in the terms of Sir George’s letter, telegraphing to him that he would not agree to them, and that he would come down to Montreal, and confer with him respecting them.

“ Thereupon I immediately informed Sir George Cartier that I should consider the letter addressed to me as being withdrawn. And to my knowledge Sir George telegraphed Sir John that he had seen me and that as he (Sir John) objected to Sir George’s letter, it had been withdrawn. I also telegraphed to Sir John on the same day (July 31st) to the effect that I had seen Sir George Cartier, and that he (Sir John) might return my letter or regard it as waste paper, and that I was satisfied with the telegram of the 26th as expressive of the views of the Government.

“ I positively and explicitly declare that, excepting so far as an understanding between the Government and myself is expressed in the foregoing correspondence, I had no agreement of any kind or description either verbally or in writing by myself or through any other person in respect of the contract for the Pacific Railway, or of any advantage to be conferred upon me in respect of it. The terms of the Charter, the composition of the Company, the privileges which were to be granted to it, the proportions in which the stock was to be distributed, having been matters for negotiation and settlement up to the last moment, and were only closed and decided upon while the Charter was being prepared in the early part of the present year. And the persons who finally composed the Company were only decided upon within a few days of the issue of the Charter ; I myself being permitted to subscribe only a similar amount of stock to that subscribed by other prominent members of the Company.

“ With reference to certain private and confidential letters published this day in the ‘Montreal Herald,’ and to certain statements in these letters which may appear to conflict in some degree with the foregoing, I must, in justice to myself, offer certain explanations. I desire to state with regard to those letters that they were written in the confidence of private intercourse in the midst of many matters engrossing my attention, and probably with less care and circumspection than might have been bestowed upon them had they been intended for publication. At the same time, while in some respects these letters are not strictly accurate, I conceive that the circumstances, to a great extent, justified or excused the language used in them.

“ With regard to the reference repeatedly made in those letters to the American interest in the stock of the Company, as I have already stated, I had made an agreement with the parties to whom those letters were addressed, associating myself with them in a Company projected for the construction of the Pacific Railway. I had never been informed by the Government that it was their intention not to permit the association of foreigners with Canadians in the organization of the Pacific Company. And in consenting to the legislation introduced into the House, I thought I was only deferring to a prejudice which I myself considered without foundation. I did not hesitate to intimate that if a suitable opportunity offered, they should be permitted to assume a position in the Company, as nearly like that which they and I had agreed upon as circumstances would permit. And as I entirely disbelieved the statements that were made as to their disposition to obstruct the Canadian Pacific, and considered that they might be of great use in furthering its construction, especially in the event of a failure of the negotiations in England, I had no hesitation in placing myself individually in the position of favouring their admission into the Company, if circumstances should permit of it. It was in that spirit that what is said in my private letters now published was written to the gentlemen to whom they were addressed, and if matters had taken such a turn as to permit with propriety of those intentions being carried out, I should have felt myself

bound to adhere to them. But, in point of fact, when the discussions as to the mode in which the Company should be formed were entered upon with the Government, late in the autumn, I came to understand decisively that they could not be admitted, and I notified them of the fact, and that the negotiations must cease between us, by a letter which has not been published in the 'Herald' of to-day, but which was in the following terms:—

“ ‘MY DEAR MR. McMULLEN,

“ ‘Montreal, October 24, 1872.

“ ‘No motion has yet (as far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend all that negotiation is at end. It is still uncertain how it will be given (the contract), but in any case the Government seemed inclined to exact a declaration that no foreigners will have, directly or indirectly, any interest in it. But everything is in a state of uncertainty, and I think it is unnecessary for you to visit New York on this business at present, or at all, till you hear what the result is likely to be.

“ ‘Public sentiment seems to be decided that the road shall be built by Canadians only.

“ ‘Yours truly,
(Signed) “ ‘HUGH ALLAN.

“ ‘G. W. McMullen, Esq.,
“ ‘Pictou, Ont.’

“Up to this period to which this statement extends, the negotiation between the Government and myself had chiefly reference to effecting an amalgamation between the two Companies which were competing for the railway, upon the principle, as I understand, that the enterprise would require all the strength that could be obtained for it, and the united efforts of every one interested in it. And that it would conduce greatly to its success if the persons, in the two Companies, who together comprised most of the prominent men in the Dominion, could be induced to join their energies in pressing forward the project.

“About this time, however, a memorandum was communicated to me which had been received by the Government from the Interoceanic Company, which appeared to destroy the prospect of amalgamation; and although the Canada Company endeavoured to remove the objections made by the Interoceanic Company, they failed in doing so, and the idea of amalgamation was shortly afterwards finally abandoned. Thereupon the Government informed me that it was decided that the contract should not be given to either of the Companies alone, but that the Government would incorporate a new Company if the prominent members of the two incorporated Companies, and any leading Canadians who might be disposed to join them, and able to give assistance, could be induced to subscribe the stock in the proportions which the Government had decided upon, which proportions are those embodied in the Charter. And from that time the efforts of all parties interested in the project was directed towards procuring the association together of the most prominent men of both Companies in the new Company, to be incorporated under the terms of the Government Act of the previous Session. And it was as the result of these efforts that the present Company was formed, composed in a majority of instances of gentlemen with whom I had no communication whatever, and not in any respect as the consequence of any understanding between myself and the Government.

“ ‘From that time also communication between myself and my former associates ceased, having finally been broken off by myself as soon as I ascertained the desire of the Government. And I state further, positively, that no money derived from any fund or from any of my former American associates was expended in assisting my friends or the friends of the Government at the recent general elections.

“ ‘That with regard to the construction which appears to be intended to be placed upon the statements in the letter referred to as to the preliminary expenses connected with the Charter, I state most positively and explicitly, that I never made an agreement or came to any understanding of any kind or description with the Government, or any of its members, as to the payment of any sum of money to any one, or in any way whatever, in consideration of receiving the contract for the Canadian Pacific. I declare that I did expend considerable sums of money in various ways which appeared to me to be advantageous to the Company I had organized, and calculated to strengthen my hands in endeavouring to obtain the contract for that Company, but that I did not on any occasion or in any way pay, or agree to pay, anything whatever to any member of the Government, or to any one on behalf or at the instance of the Government, for any consideration

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whatever, in connection with the Charter or contract. As may be gathered from the letters in question, I considered it to be my policy to strengthen my position as far as I possibly could with my own friends and fellow-citizens in the Province of Quebec, and more especially in so far as related to the Montreal Northern Colonization Railway, which I conceived would at some day be the outlet from the Canadian Pacific to the Port of Montreal. And a considerable portion of the money referred to in those letters was expended by me in furtherance of that project in many ways. I considered it for my interest also that those members of Parliament who had shown an interest in the Canadian Pacific enterprise and in other railway enterprises in which I was interested, and who were disposed to assist and further them, should be aided in their elections, and I subscribed some money and lent some money to assist the election of such persons as were my friends and in whom I was interested, but without any understanding or condition with them or any of them as to Parliamentary support or assistance in the event of their election. In these and similar ways I expended sums of money approaching in amount those mentioned in those letters, as I conceive I had a perfect right to do; but I did not state in those letters, nor is it the fact, that any portion of those sums of money were paid to the members of the Government, or were received by them or on their behalf directly or indirectly as a consideration in any form for any advantage to me in connection with the Pacific Railway contract.

“‘I desire also to state further with regard to the envelope and the papers which it contains, which were placed in the hands of the Hon. Mr. Starnes shortly before my departure for England with the delegation of the Pacific Railway, that upon being informed by me that all negotiations between my former American associates and myself on the subject of the Canadian Pacific Railway must cease, large demands were made upon me by Mr. McMullen, based partly upon alleged expenditure by him, and partly upon a claim by him for compensation for his loss of time and services in the promotion of the enterprise so long as he and his friends remained connected with it. These demands at first were of such an extensive character that I declined altogether to entertain them. I was disposed to return to my American associates any money which they might have expended in the matter, and I was ready to compensate Mr. McMullen for the loss of his time and his expenses; but it appeared to me that the sum he demanded was much greater in amount than all such disbursements and expenses could possibly have reached. I felt naturally that by trusting to the honour of my correspondents and writing to them in a manner somewhat inconsiderate, I had placed it in their power to annoy me by the publication of those letters, and I feared that the outcry which might follow their publication in the columns of certain papers which have manifested unceasing hostility to the Canadian Pacific Railway, might injure the prospects of the delegation in England. I therefore authorized an arrangement to be made with Mr. McMullen, by which a sum very much less than his original demands should be paid to him; the greater portion at once, but the remaining and a considerable portion on the delivery of the letters to me after the present Session of Parliament, should they not be published in the interval. This was accordingly done. Mr. McMullen received the greater part of the sum agreed to with him, and the remainder was placed in one of those envelopes in the form of a cheque, the other envelope containing, to the best of my belief, the same letters which had been published in the ‘Montreal Herald’ this morning, together with one or two others, which do not appear there, but which would have established the rupture of all negotiations between the Americans and myself. And this arrangement was made, on my behalf, with Mr. McMullen, without the concurrence or knowledge of any member of the Government,—none of whom were aware that the papers had been deposited in the hands of Mr. Starnes.

“‘And I have signed,

“‘ HUGH ALLAN.

“‘Sworn before me at Montreal, this fourth day of July, 1873.

“‘J. L. Beaudry, J. P.’”

Enclosure 5 No. 4.

STATEMENT BY MR. McMULLEN, WITH DOCUMENTS, &c., &c.

(FROM THE ‘MONTREAL HERALD.’)

“‘SIR,

“‘So much has been of late said about myself, and my connection with the Pacific Railway negotiations, that I think it better to lay a full statement of my position in

regard to it before the public than to longer allow myself to be placed in so many wrong situations by those who are of necessity ignorant of many important facts. I have chosen, therefore, to place it in the form of an historical narrative, embracing the incidents that came under my own knowledge from the time I first engaged in the matter until the granting of the charter by the Government to its present holders.

“I visited Ottawa in March, 1871, on a Chicago delegation connected with the enlargement of the canals, and while there met the late lamented Mr. Alfred Waddington and Mr. Wm. Kersteman, who were agitating the subject of a Canadian Pacific R.R., and who introduced the matter to my notice, with a view to organize a company to build the proposed road. After looking at the surveys and explorations of Mr. Waddington, who was well informed on the physical nature of the Pacific coast, I concluded to take the subject before some friends with a view to its serious consideration. In a few weeks, at my request, Mr. Waddington and Mr. Kersteman visited Chicago, and the result was, on their representations, that with my friends I proposed to organize a Company which would undertake to build the road, on terms approximating those which current rumour reported the Government as willing to recommend to Parliament. We visited New York and Philadelphia shortly afterwards, and in about six weeks later (being early in July, 1871) we visited Ottawa with an informal proposal from parties of the highest respectability for undertaking the work. The only members of the Government whom we met were Sir John A. Macdonald and Sir Francis Hincks; and it speedily became apparent to myself and associates that Mr. Waddington had been over sanguine in his ideas that the formation of a Company would be entrusted to his hands. After some conversation which tended to make this clear, and which intimated that the Government would wish to incorporate prominent Canadian names in any Company undertaking the work, we left our address with the two Ministers, with the understanding that if occasion for it arose we were to hear from them. Some few weeks afterwards Mr. Chas. M. Smith, of Chicago, who was my colleague in this matter, received a letter from Sir Hugh Allan, stating that Sir Francis Hincks had requested him to communicate with us in order to effect a union of Canadian and American interests in the Pacific Railroad Company that was to be formed.

“I afterwards found that Sir Francis Hincks had visited New York in the early part of August, 1871, and at interviews with two prominent railway bankers, whose names will readily occur to him, had advised them and their associates to cease negotiations through Messrs. Smith and myself, and open them directly with Sir Hugh Allan, who being a leading Canadian was looked upon by the Government as a proper person to figure prominently in the matter. As the gentlemen applied to were both unwilling and unable to change existing arrangements, Sir Francis, on his return, seems to have given the address left with him in July to Sir Hugh Allan, and his letter to us followed. The result was an interview in Montreal, early in September, 1871, at which preliminaries were settled between Sir Hugh Allan, Charles M. Smith, and myself, by which Sir Hugh was to receive a large personal interest in the stock, and an amount for distribution among persons whose accession would be desirable, and that the cash instalments on such stock should be advanced and carried by others in interest. An interview was held by myself with Sir John A. Macdonald, at the St. Lawrence Hall the day before we met Allan, at which he expressed the approval of the Government at the proposed meeting, and requested me to meet him at Ottawa, after it was over, to let him know the result. I accordingly went to Ottawa, and explained to him that Sir Hugh had entered into verbal arrangements, which would soon assume a more formal shape, and that we had provided for the easy accession of such other Canadian gentlemen as would be of advantage. He seemed quite pleased with it, and promised, on communication with Allan, to set an early day for entering into preliminary arrangements with the Government, in order that the whole matter might be in shape for an early presentation to Parliament. Shortly afterwards, in accordance with this understanding, Sir Hugh notified Mr. Smith and myself to come, and we three met the Cabinet at Ottawa, October 5th, 1871, to settle, as we supposed, the general features of the scheme. There were present Sir John A. Macdonald, Sir Francis Hincks, Sir G. E. Cartier, and Messrs. Tilley, Tupper, Mitchell, Morris, Aikins, and Chapais. It was at once apparent that they were not fully in accord among themselves, in consequence, as Sir F. Hincks informed me, of Grand Trunk jealousy of Allan, represented by the important personage of Sir George Cartier. The settlement of matters, had, therefore, to be postponed until the return of Sir Hugh Allan from England, he sailing on October 7th, and returning the 1st of December. Mr. Smith and I proceeded to New York, to inform our friends of the state of affairs. It was then that we first learned of the visit of the Finance Minister, which I have heretofore narrated,

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and it was also then that Sir Hugh's first telegram of the published correspondence was received.

"After the return of Sir Hugh Allan from England, he telegraphed to Mr. Smith, of Chicago, that Sir Francis Hincks had called and suggested that the Government would be obliged to advertise for tenders in order to avoid blame, so that the conclusion of an agreement would have to be postponed for several weeks, but suggesting that we have a meeting in Montreal, and afterwards in New York, to execute the contract which was to follow our verbal understanding. Mr. Smith and myself accordingly left Chicago on December 15, 1871, and after visiting Montreal and closing all preliminaries with Allan, we went with him to New York, where the contract was signed by all the parties, under date of December 23rd, 1871. A variety of topics were discussed at interviews and by correspondence, during the winter, and the delays of the Government explained by the exigencies of the political situation. While at first Sir Hugh had announced that no money would be required for such purposes, yet he soon professed to discover that it would be necessary to provide some, to aid in procuring the closing of the arrangements. He at one time announced to Mr. Smith and myself that the \$8,500, of which he speaks in one letter, had been lent to Sir John A. Macdonald and Sir Francis Hincks in sums of \$4,000 and \$4,500 respectively, "with very good knowledge that it was never to be repaid." He also explained that the Finance Minister was taking a great deal of interest in the matter, and that he had sounded him on the extent of his personal expectations, when it reached an assured conclusion. He said Sir Francis had replied that at his time of life an absolute payment would be preferable to a percentage of ultimate profits, and thought he should have \$50,000, and in addition the position of Secretary to the Company for his son, at a salary of not less than \$2,000. My reply was, that I supposed, as we were into the matter, we would have to meet, in some way, such demands, if we expected to proceed, but that large amounts could not be disbursed on uncertainties. As the Session approached, however, Sir Hugh made application for money, and on March 28th, 1872, a supplementary contract was entered into by which a committee of five were appointed, Sir Hugh being chairman, who were authorized to provide funds. This contract also covered a change in terms to meet the views, as Sir Hugh represented, of the Government, and empowered this Committee to agree to the acceptance of \$30,000,000 and 50,000,000 acres of land, exactly the amount the Government recommended, and exactly the amount he then told us they would recommend if we would accept. A levy of \$50,000 was made on the American parties, April 1st, 1872, and the amount placed to the credit of Sir Hugh. He drew \$40,000 as follows: \$15,000 by check, dated May 2nd, 1872, and paid May 4th, 1872; and \$25,000 by check, dated May 3rd, 1872, and paid June 6th, 1872. The only explanations which he made to me of the expenditure of this sum were the payment of \$4,000 to 'La Minerve' newspaper, and \$3,000 each to three other French papers, whose names I cannot positively remember; \$6,000 to Attorney-General Ouimet for aid rendered at Ottawa, and an indefinite loan of \$10,000 to Sir F. Hincks. I attended during the Session of 1872, and assisted in the passage of the Canada Pacific Railway Charter; and at its close paid the charges under the Private Bills regulations for the Charters of it and the Canada Improvement Company—a Charter which we suggested to Sir Hugh and Mr. Abbott, as a necessary attendant on the railroad legislation. In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin \$25,000 to aid in elections about Quebec, on condition of his friendly assistance, and Mr. Abbott reported that he had done so.

"Notwithstanding the repeated pledges we had received, and the apparently strong position we occupied, both Sir Hugh and myself had grave fears of the result, in consequence of the position taken by Mr. Macpherson and his friends, and the animosity of the Grand Trunk Railway people to Sir Hugh himself. I met Sir John A. Macdonald in Montreal, after the close of the Session, while on his way to meet Lord Dufferin at Quebec, and he suggested that, as Allan had made so many enemies, I should go to Mr. Macpherson and try to bring about an amalgamation, promising to write a personal letter to Mr. Macpherson, to aid in the desired object. Sir Hugh and Mr. Abbott, however, both dissuaded me from doing so, as it would afford a pretext for the Inter-oceanic Company to raise the American bugbear, which they had been trying to allay, and they promised to take the responsibility with Sir John of my failure to do as agreed.

"I then went to Chicago to await developments, and in July, under date of the 16th, I got a letter from Allan, which seemed quite discouraging in tone, as he said Sir G. E. Cartier told him they never intended dealing with either our Company or Mr. Macpherson's, but would form a new one entirely, under the control of the Government. But Sir Hugh added that the elections were approaching, and then his French friends would make their power felt, and Cartier must either yield to Lower Canada wishes, or else he stood a poor

chance to be elected. On August 6th he wrote again, stating that he had brought about what he wished, as the Government had been forced to come to him, and he had secured an agreement for a majority interest in the Company about to be formed to build the road, but that to do this he had to advance a large amount of money, some \$200,000 already, and over \$100,000 more still to be paid, and wanting to know what the New York friends would do. On the 16th September he wrote again, stating that he had learned of the absence of several of our friends from New York, and that therefore a meeting could not be held until November 15th, which was very unsatisfactory, as he was to have the contract signed within say ten days, and wanted at once thereafter to go to England to raise money. He stated his expenditure to that time as \$443,000 gold, with \$13,500 more to pay, and he urged speedy arrangement for refunding this. I visited Montreal shortly after the receipt of this letter, to ask him further particulars for the guidance of our friends, who were somewhat startled at the magnitude of the figures, and who proposed to have some reasonable explanation of how the money had been expended before they returned it to Sir Hugh. I reached Montreal about October 1st, and at the interview which followed, Sir Hugh reiterated, and explained the statements in his later letters. He said Sir George Cartier had been very loath to realize the fact that he held the controlling French influence, subject to a satisfactory disposition of the Pacific Charter, but that after a while Sir George did come to believe it, and, much against his will, consented to yield his prejudices, and give Allan the control, with, however, certain provisions about Americans, which would be more of an apparent than real objection, and on the understanding that Sir Hugh should advance money to aid the election of Government supporters. After having Sir George sign an agreement, as stated in letter of Aug. 8th, he commenced paying money, but, as he told me, having Cartier's order in each case, and taking a receipt therefor. When making the agreement he had no idea that the amount of money would be excessively large, and when it had run up to between \$190,000 and \$200,000, he became alarmed, and told Cartier that he must stop paying the drafts which were coming in so rapidly unless the whole Government would sanction the bargain. He then stated that Sir George sent to Ottawa and received a telegram from Sir John A. Macdonald confirming his action. After this Allan said he proceeded paying until he had advanced \$358,000 in addition to \$40,000, drawn from New York. I promised to submit his statement to my friends, in New York, and leave the matter for them to decide.

“The next word I had was that he thought he must dissolve all connection with Americans, in a letter dated October 24th. I replied in a few days after, protesting strongly against such action, and in return received a brief letter dated November 11th, in which he stated that he was in entire ignorance of the whole intention of the Government.

“In December I got an urgent letter and telegraph, requesting me to meet him at Toronto or Montreal, but not stating the object. I went to Montreal and had an interview on December 24th, when he announced a final close of any arrangements with Americans, with an utter repudiation of any obligations he was under to them, and stated that he had written to New York, to the effect that he could not continue his arrangements, and must break them entirely off. I protested strongly against such conduct, referred to the contracts we had entered into, and the long association existing, as well as the uniform good faith evinced by our party, stating that I deemed it only honourable in him to insist on the original agreement, or else to retire himself from the proposed Company. When this was refused, I announced my intention of going to Ottawa to lay the matter before Sir John A. Macdonald. On the 31st December, I had an interview of some two hours' duration with Sir John, and placed him in possession of all the facts, and showed him the letters which I had from Sir Hugh in regard to the matter, as well as the original contracts, and the letters to the New York R.R. President, which were recently published in connection with other correspondence. I pointed out to Sir John the allegations made by Sir Hugh as to his agreements with the Government, and narrated to him all the leading facts I have given here. He strenuously denied that the Government had been bribed, and I pointed out that if not, then our Canadian associate must be a swindler in attempting to get refunded nearly \$400,000, which he had never laid out. I then requested him to do one of two things—either to allow our original arrangements to be carried out, or else to leave Sir Hugh out of the Government Company, since we did not propose to be a stepping-stone for his personal advancement. Sir John said the Government arrangements had gone so far that he feared they could do neither, and said that from Allan's memorial in answer to the Inter-oceanic Company, and from his assertions since the Session, they had supposed he had entirely broken off with us. I showed the most conclusive evidence—Allan's own letters—that such was not the

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case, and said if the Government were not in his power, as he stated, they could better afford to take all the risk of his omission from the Company than to face the public when they knew all the facts, as they certainly would, if Allan was put in and allowed to break his sacred obligations with his associates—associates to whom the Government had directed him, and who dealt unreservedly with him in the express belief that he was the chosen representative of the Government, and who had the best of reasons for such belief. He requested a delay of a few days or more to enable him to communicate with Sir Hugh and Mr. Abbott. On the 23rd of January last, I again saw Sir John, at which time two of my friends accompanied me. We then went over the ground again, and added the letters which appeared as addressed to Mr. Smith, and after the interview I gave Sir John, at his request, copies of all these documents, Sir Hugh Allan's checks for the \$40,000, and the receipts of Mr. Todd for the Private Bill expenses of the Canada Improvement and Canada Pacific Railroad Companies paid by me, which must have been strange reading to him when compared with the memorial of the Executive Committee of the said C. P. Railroad Company, signed by Hugh Allan, J. J. Abbott, and Louis Beaubien, then in his possession, in which the following remarkable passage occurs, under date October 12th, 1872, which memorial was presented to Parliament during the present Session:—

“ ‘With regard to the assertion that a belief “exists everywhere” that the Canada Company still intend to carry out the design of the combination with American capitalists, it is only necessary that the gentlemen who say so, no doubt speak truly as to some limited circle with which they are in immediate communication. But the Canada Company emphatically deny that beyond such a limited circle any such belief, or even any idea, of such a state of things is entertained.

“ ‘The Canada Company are aware that a negotiation was commenced during the summer of eighteen hundred and seventy-one, between Sir Hugh Allan and certain American capitalists for the formation of a Company to construct and run the Canada Pacific Railway; but they are informed by Sir Hugh Allan, and have satisfied themselves by a full enquiry into the circumstances and details of the negotiation, that it was not initiated by Sir Hugh, and that it was commenced and supported by influential persons in Canada, as being the only combination that offered itself at that time for the construction and running of the road; but they are satisfied that that negotiation never possessed the character attributed to it by the Inter-oceanic Company; and they know that Sir Hugh Allan would never have consented to embark with foreign capitalists in a Canadian enterprise in which he takes so great an interest, without the most perfect securities and guarantees for its control and conduct in the interest of Canada. But the discussion of the negotiation is entirely foreign to the proposition now being considered. That negotiation terminated when Sir Hugh Allan engaged with others in the formation of the Canada Company, and it has never been renewed.

“ ‘The Canada Company never participated in that negotiation, and never considered or entertained any proposition, suggestion, or intention of asking aid from American capitalists or of combining with them for the prosecution of the Railway, or for any other purpose. The only negotiations they have carried on are those already alluded to with British capitalists, and they have never even communicated on the subject of the railway with anyone outside of Canada or Great Britain.’

“ Sir John requested us to meet Abbott and Allan in Montreal, and arrange something satisfactory. Sir Hugh had gone to New York, and while there had called on our friends and assured them that he would still keep good faith with them. While I had the strongest reasons for doubting such assurances, and though subsequent occurrences have confirmed these doubts, yet at their request I desisted from pushing matters against him, further than to procure a settlement of personal outlay and loss, and that of my friends who were with me, a loss directly entailed by his duplicity.

“ This narrative embraces all the leading facts relating to my connection with Sir Hugh Allan, and mainly of my efforts and operations concerning the Pacific Railway; but as a matter of course, there were numerous negotiations of a nature relating to it, which seem unnecessary to detail, unless further occasion should arise. But these facts would all tend to confirm the general points herein stated, and they are such as would occur inevitably in the midst of such prolonged and important negotiations.

“ Yours, &c.,

(Signed) “ GEO. W. McMULLEN.

“ P. S.—I append authenticated copies of documents bearing on this case, which will explain the manner of doing the business.”

" 'DEAR MR. ABBOTT,

" 'Montreal, August 24, 1872.

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" 'In the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Committee with a further sum of twenty thousand dollars upon the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan of the 30th ult.

" 'GEORGE E. CARTIER.

" 'P.S.—Please also send Sir John A. Macdonald ten thousand dollars more on the same terms.' "

" 'Montreal, August 26, 1872.

" 'Received from Sir Hugh Allan by the hands of Hon. J. J. C. Abbott twenty thousand dollars for General Election purposes, to be arranged hereafter according to the terms of the letter of Sir George E. Cartier, of the date 30th of July, and in accordance with the request contained in his letter of the 24th instant.

(Signed)

" J. L. BEAUDRY,
" HENRY STARNES,
" P. S. MURPHY.

" 'For Central Committee.

" 'L. BETOURNAY.' "

" ' (*Immediate, Private.*)

" 'Toronto, August 26th, 1872.

" 'I must have another ten thousand; will be the last time of calling; do not fail me; answer to-day.

" 'To the Hon. J. J. C. Abbott, St. Anne's.' "

" 'JOHN A. MACDONALD.

" 'Draw on me for ten thousand dollars.

" 'Montreal, August 26, 1872.

" 'Sir John A. Macdonald, Toronto.' "

" 'J. J. C. ABBOTT.

" 'Toronto, August 26, 1872.

" 'At sight, pay to my order, at the Merchants' Bank, the sum of ten thousand dollars for value received.

" 'JOHN A. MACDONALD.' "

" 'This draft was endorsed thus:

" 'Pay to the order of the Merchants' Bank of Canada.

" 'JOHN A. MACDONALD.

" 'To Hon. J. J. C. Abbot.' "

" 'Montreal, July 15, 1873.

" 'MY DEAR SIR,

" 'I submit for your perusal a statement I propose publishing to the people of Canada as to my connection with the Pacific R.R. My reason for doing so is, that I have been subjected to the vilest slanders at the hands of the Ministerial press, of which you are aware. The abundance of such abuse makes it imperative that I should show what the real facts were, and as you and I have had a friendly association in the matter, and you are personally cognizant of many facts, I ask you to give me a letter relating thereto, and containing whatever may be within your recollection as to the circumstances of the case.

" 'I think I am justified in asking you to do this, when my character has been so viciously assailed.

" 'Your reply will be gratefully received by me, and put me under lasting obligations.

" 'Very truly yours,

" 'Hon. A. B. Foster.' "

" 'G. W. McMULLEN.

" 'DEAR SIR,

" 'Waterloo, July 16, 1873.

" 'I have had an opportunity to look over the statement you make in regard to your connection with the Canada Pacific Railroad, submitted to me for the purpose mentioned in your letter of the 15th, and I have this much to say in regard to it. With the first part of your history of the matter I am personally unacquainted, as our intercourse did not begin until the opening of the Session of 1872, when we were introduced by Mr. Abbott. My negotiations on the subject of the Pacific Railway previous to that time had been with Sir H. Allan and Mr. Abbott, though from the commencement I had been aware of the arrangements made with American parties whom you represented. I was associated during the Session of 1872 with Allan, Abbott, and yourself, in all the stages

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of procuring the Charter of the Canada Pacific Railroad Company, and in all the efforts made to secure to that Company the contract to build the road, and as a consequence was familiar with many points naturally arising therefrom. I discussed with you my personal position under the proposed arrangements and with yourself, Allan, and Abbott, all the main features of the legislation proposed, and such as were deemed necessary for the object. As you state, there were difficulties in the way of closing matters, and I was aware of the agreement with Mr. Langevin to which you refer, as it was frequently discussed between us and Mr. Abbott. I was also aware from the first of Sir George Cartier's opposition to Sir Hugh Allan, and of the means by which Sir George was forced to forego his opposition.

"In regard to the payment of money for election purposes, I was informed of the arrangement with Sir George Cartier, and was also shown a confirmatory telegram from Sir John A. Macdonald. I understand the affair to be substantially as you have related, and I have reason to believe that large sums of money were actually expended for election purposes under the arrangement.

"G. W. McMullen, Esq."

"Yours truly, &c.,
(Signed) "A. B. FOSTER.

Enclosure 6 in No. 4.

MEETING OF MEMBERS OF PARLIAMENT IN OTTAWA.

FROM THE 'MONTREAL HERALD.'

"The gentlemen opposed to prorogation held a meeting in the Railway Committee room, immediately after prorogation.

"Hon. L. H. Holton said he thought it would be proper for the deputation who had carried the memorial to the Governor-General to report the result. That memorial had been signed by ninety-three members, which were a clear majority of members who were usually in attendance in the House. It was a memorial only praying him to stay his hand so as not to prevent the House of Commons from inquiring into the most stupendous political and electoral frauds which had ever hitherto been heard of. (Loud cheers.) The practical result was that in the reply this memorial had been scorned by the representative of the Crown. The worst possible insult had thus been put upon Parliament by a Governor-General, acting on the advice of men who were themselves under impeachment for crimes which almost amounted to treason.

"Mr. Cartwright said, as Chairman of the Committee, that the memorial had been received by the Governor-General in a very courteous way, and with the remark that it was drawn in a very proper manner, and that he also sympathized very much with the feelings of the gentlemen of the deputation, but that he was obliged to act upon the advice of the members of his Government. He said also that he had named a Royal Commission, consisting of three legal gentlemen, and would summon Parliament to meet again in the course of about two months. With respect to the Oaths Bill, his Excellency stated that his Ministry were not to blame for its disallowance. He also said that he had to decline to accede to the prayer of the petition, because, unless he did so, he must first dismiss his Ministry, which would imply a conviction of their guilt. His Excellency, however, had expressly requested that there should be no formal publication of his reply until he had delivered it in writing. Mr. Cunningham had stated to his Excellency that the deputation considered that the prorogation would be an infringement of the privileges of Parliament, but that point, of course, his Excellency did not discuss.

"Mr. Cunningham (Manitoba) said that when his Excellency spoke of dismissing his Ministers, he (Mr. C.) stated that the ninety-three members who had signed the memorial considered that the accusations against the Ministry were before the House of Commons, not before his Excellency; and that until they were brought before him, he had no right to issue a Commission, or to take any other step in connection with them.

"Messrs. Burpee and Church confirmed these statements.

"Mr. Paquet also added that his Excellency had made an exposure of facts exactly as they had been made in the Ministerial journals, and had said nothing but what had been said there, except that the advice he was going to adopt was given by his advisers unanimously. He had also remarked that it was impossible for Parliament to proceed to business, since, in consequence of the understanding arrived at, neither the members from Manitoba nor those from British Columbia were present; and he was answered by

pointing to Mr. Cunningham, and by the assurance that Manitoba was fully represented. There was, however, no difficulty about seeing on which side his Excellency leaned.

"Hon. Mr. Cauchon said that, although at the end of the meeting of the House Mr. McKenzie had invited those opposed to prorogation to assemble here, he understood there were numbers on the other side who would have gladly been here to protest against the course pursued, but that they were afraid of their party. He disclaimed the idea that this was in any way a party meeting. (Hear, hear.) Every member had been invited to be present, and act in unison on the subject. They would all get a fair hearing, and might express themselves as they felt. (Cheers.) In whatever way the meeting might decide, the feelings of all would be respected. (Applause.)

"Mr. Laflamme, who was loudly called for, said he did not think it his place to address them on the subject; it was more fitting that older politicians should do it. All must feel the outrage which had been perpetrated. (Hear, hear.) It was no question of party. The question now was, whether free government and free inquiry really existed, such as they knew well was embraced within the British Constitution. On this account, the question being so vast and important, he should leave it to older politicians than himself to discuss. He denied that the Committee could not proceed with the investigation, and affirmed that neither the people nor their representatives would submit to being deprived of the rights, liberties, and privileges which belonged to them as British subjects. (Applause.) As far as he knew, a Royal Commission was altogether unnecessary, as the question before them was one which involved the purity of Parliament. As he had before said, this was a proper subject for the older members to discuss. As for himself, he had to-day felt like a Frenchman, as his blood fairly got up at the outrage and insult which had been perpetrated on the people and their representatives. (Hear, hear.) He should defer from further speaking, in order to make way for the leader. (Cries of 'Blake and McKenzie.')

"Mr. Blake urged that it would be well that Mr. McKenzie's speech, which had been so rudely interrupted in the House, should first be completed.

"Mr. McKenzie said he had so much difficulty in the House in offering his motion, he had almost lost his voice. In addition to what Messrs. Cauchon and Laflamme had said, he would remark that ninety-four members of the House had signed the memorial of remonstrance to the Governor-General. (Applause. A voice: 'It is now ninety-five!') In addition to those who had thus declared themselves, there were numbers of Conservatives who felt just as strongly as they did, that this prorogation was an improper act under existing circumstances. If they had not signed this petition of remonstrance, it was because they had themselves sent a remonstrance. (Hear, hear.) It was well understood that some of the Conservatives who had signed the larger petition had acted more or less with us; but those to whom he had previously referred, were outside of that number. No one could contemplate the recent high-handed proceeding without feeling it to be a gross outrage, which must not be permitted. (Hear, hear.) He was quite aware that in times like these, when outrages were consummated by Government, that persons sometimes expressed themselves more strongly than prudence and the circumstances justified; but in this case an attempt had been made to sap the very foundations of the independence of Parliament. (Applause.) Since he had sat in Parliament, he had ever kept in view all legislation which should have a tendency in the direction of Parliamentary independence; but in this instance, to screen Ministers from a charge of the grossest corruption, of which a good *prima facie* case had been made out, it was attempted to violate that independence. (Applause.) He had no doubt that, from his point of view, the Governor-General was right when he said that he was bound to take the advice of his advisers; but we had one English writer—an authority both on law and history—who had said otherwise. This writer (Goldwin Smith) said plainly in a letter in the 'Witness,' as well as in an article in the 'Canadian Monthly,' that the members of the Committee of Inquiry were right in refusing to allow it, without the authority of the House, to be turned out of doors by a Royal Commission appointed by the parties accused. He takes the ground that the Ministry are not in a position to advise his Excellency as to a prorogation or Commission, but must take the prerogative into his own hand. (Hear, hear.) It must be borne in mind that Parliament had appointed a Committee, whose operations were frustrated by agencies which were controlled by the Administration. (True, true.) He explained that a majority of the Committee were appointed by the Ministry themselves—the accused parties, who declined to take evidence without oath, whilst the majority were perfectly willing to have all the witnesses, even were they Ministers themselves, to be examined without this, not fearing that they would tell a lie. (Applause.) Matters were in this position when the Parliament met, as it had done to-day; constitutionally there was no necessity for

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swearing witnesses, merely to bring them under the punishment due to perjury if they committed it: this was, because the House could deal with them as it pleased, and punish them if necessary, although they did not see the necessity for it. Members were willing to allow the Oaths Bill to pass. He had been also willing to allow evidence to be taken without the sanctity of an oath, as he believed that those who would tell a lie would have no objection at all to swear to it. (Applause.) While matters were in this state, his Excellency's advisers had advised the Governor to prorogue the Houses, thus turning the people's representatives out of doors, without giving them an opportunity of discussing the matter, or the resolution which he had offered. In order to prevent this, the Usher of the Black Rod had been directed to wait at the door of the Chamber, and knock the very moment the members entered. This was to prevent discussion, and make it impossible to deal with his resolution. At length he got it into the hands of the Speaker, who was the constituted protector of the members of Parliament. He was sorry to say, however, that it appeared to him that his authority was to be used otherwise, for he displayed unusual anxiety to prevent it reaching his own hands and to prevent its entrance on the Minutes. He desired to say that in this country, which was governed by Parliament, a cry would go out from end to end of the land against the indignity which has been put on it, and if the Government sought to escape from the consequences of their crime, they would find that their action only served to intensify the feeling. It now became the members, as rulers of the country, to do nothing unseemly, but to take every step to maintain their dignity; and, at the same time, to use every legitimate and lawful means to obtain the opinion of the country. (A voice: 'That's the advice to-day.')

"Mr. Blake did not think that Mr. Mackenzie had left much room for him to say anything. Up to this he had felt it his duty not to interfere at all in the matter, in the peculiar position in which he felt himself placed, and not to express an opinion on the subject. Now the matter was changed, the functions of the Committee were at an end, and he was no longer fettered by this consideration. He would now give them explanations as to the course which he and his friend Mr. Dorion had pursued when in Montreal, and the sentiments which had influenced them. They felt the position they occupied on the second of July as one of no ordinary difficulty; they were anxious, and they knew the country had the same feeling, that the inquiry should be proceeded with in the most expeditious and effective manner, but, after consideration, recognizing all these things, they took the responsibility of declining to accept a Royal Commission. They were aware that by accepting the Commission the inquiry might at once go on, but they felt they had a far higher duty to perform,—that from the House of Commons they received their instructions, and it was for them to maintain the dignity and independence of that body. As delegates of the people their duty was imperative, and their instructions from the House were not withdrawn; and least of all were they authorized to agree to a change of tribunal. The proposition for a Royal Commission had been made in Parliament by the Premier several times, but no member uttered a word in favour of such a course; and the Chairman of the Committee, the Hon. J. H. Cameron, had himself pointed out the inconvenience of it. These were so great that the Premier abandoned the project on account of the feeling of the House; and that feeling was sound. But the question to-day was infinitely greater than whether this question was true or false. (Loud cheers.) The question now was whether the right of Parliament to try Ministers for their crimes should be taken away. (Repeated cheers.) Those Ministers had, in the representation of more than one hundred members of Parliament—for it appeared that several had made these representations who had not signed the memorial, a number more numerous than had ever taken such a step before—advised the Crown to prorogue. The petition was most moderate, as the men who signed it asked merely that Parliament should have an opportunity of expressing an opinion and taking order; asked only that it should have an opportunity of giving advice. One reason given by his Excellency against proceeding to business was the absence of the members from Manitoba and British Columbia; but every member from Manitoba was present and had signed the petition, and one member for British Columbia could easily have been brought up from Montreal. But why were these gentlemen not present? It was because instead of advising these representatives to be here, the Ministry had advised them not to come. Ministers had first kept the House empty, and then advised his Excellency that, not being full, it was not competent to proceed to business. But that need not have invited a prorogation. It might have been met by an adjournment, though that might have given more cause of complaint to gentlemen who had come, some of them eleven hundred miles, to attend to business; yet such was the public spirit of those who had thus attended, that he did not doubt their willingness to tell the Ministers they would wait till they got their supporters

together. What might happen now? There was a sealed packet of papers impounded in the hands of Mr. Starnes, and it was quite possible that, by the prorogation of the House and the consequent dissolution of the Committee, those very important papers might yet get into other hands. Perhaps what he now said might prevent that, but yesterday the House had control of those papers, and two hours ago the control had ceased. The Ministry would not have thus acted unless they had felt that delay was all that they had to depend upon; delay that would give occasion, perhaps, for loss of some important document, possibly for some death that would prevent the disclosure which they dread, for, assuming the published documents to be genuine, the position of the Ministry, and of the country through their acts, was one of the deepest disgrace and humiliation. It was now admitted that the claims of Sir Hugh Allan to the Pacific contract were looked on unfavourably by a portion of the Cabinet, but that he set himself to procure Parliamentary and popular influences, which he brought to bear upon them, until he succeeded in extracting a promise which he considered to be satisfactory. Before obtaining that promise he had threatened to prevent some of them from securing their re-election, and afterwards he assisted them, by his purse and influences, to corrupt the constituencies throughout the country. We know that very large sums were received by Ministers for this nefarious purpose, and that this was contemporaneous with the agreement of the 30th July, which Sir Hugh deemed satisfactory. If those papers were genuine, he repeated that nothing could alter, nothing diminish the infamy of that transaction. It was a bargain to give to a particular person a benefit, at the same time that Ministers accepted from him by gift or loan an immense sum of money, for the purpose of bribing the electors. These otherwise sensible men are not ashamed to say, it is true, that Sir Hugh got the contract, and that he gave an immense sum for the purposes of elections; but one thing had nothing to do with the other. (Laughter.) He was, say these persons, an ardent politician, and gave his money to support his party. (Laughter and cheers.) Do the letters show that he was an ardent politician? Yes, they do; but, Mr. Goldwin Smith has said, it was in the politics of steamboats and railways—(great cheering)—and his party was Sir Hugh Allan. (Laughter.) However, we have Sir Hugh Allan's testimony on this matter; debased as these letters show him to be, he has not told us that he lied in writing them. He only committed a few little inaccuracies, such as he and you and I make in private conversations, since we are only expected to be truthful when we speak in public. (Roars of laughter.) It is, therefore, true that he spent his money to get the contract. It has been pretended that Mr. Huntington was bound to prove every member of the Government to be directly concerned in this matter,—he (Mr. Blake) supposed they must produce an Order in Council where everything was formally agreed to. (Laughter.) But those who were acquainted with Courts of Justice knew that frauds did not usually thus discover themselves. Such things were usually cloaked, and men were often found to say, and even to swear, that simulated papers were genuine; but Courts will put these two things together, and when they find a man with documents, assuring him some great benefit in one hand and a lot of checks in the other, they take them together. (Cheers and laughter.) The business-like receipts and drafts had something to do with this idea. Sir Hugh knew that he was dealing with slippery customers, and therefore he made his terms, and put everything down in writing. The principal actor in the affair, no doubt, to-day regrets this extreme precaution, but the cause of truth and justice has been well served by it. A remark, not unfrequently heard, is to the effect that politicians are alike, and that if one Ministry is ejected the next will do something. He was glad, however, to see that public virtue was not yet so low as to permit anyone to assert this in public. It nevertheless received much private currency, and it should, therefore, be frowned down by all who believed that Canadians were entitled to the responsibility and the happiness of self-government. Men may say 'You will bribe too,' but have we not on our side of the House been endeavouring for years to make bribery difficult, if not impossible? Have we not been pressing for an election law which will give us means of obtaining cheap and searching justice in these particulars? and have we not been told that there was a doubt if this system is suited to the circumstances of the country? (Cheers.) What fair-minded man can now doubt that this affection was only made for the purpose of continuing the system of bribery and corruption which has hitherto prevailed? Who that reads the decisions on electoral petitions could help being ashamed of them? He did not blame the Speaker of the House for these things—for he was inclined, like Mr. Mackenzie, to shut his eyes as much as possible to that officer's failings—but he blamed the law. Because an illiterate man wrote his name Robertsen instead of Robinson, the petition against J. H. Cameron was thrown out, and there were many more similar decisions by which election petitions were prevented from going before even such a wretched tribunal as the present Parlia-

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mentary Committee. Yet that infamous law the Ministry had refused to rectify. What would have been the result if the Allan gold had not been scattered broadcast through the country? It was well known that there were everywhere venial persons, indifferent persons, and men with local interest to sell for money; and in counties where opinion was not very decided it was easy to change the expression of it, by purchase of the venial, indifferent, and these local undertakers. Without the outlay of Allan's money no one could doubt that the complexion of this Parliament would have been very different. Among the members, every man may not be as deeply dyed in this iniquity as the Ministry; some may not have known that they added to the crime of corrupting constituencies that of selling their country, but those who did know will resist investigation to the last, as their crime is only a little less than that of those who perpetrated it; but when he saw that with a Parliament, even thus elected, one half of the members should take the decided step that had been taken to assert the rights of the Commons, he felt confident yet in the independence of representatives of the people. Parliament might hereafter resume the investigation, and might re-establish the Parliamentary tribunal. The motion which his friend had made he might then renew, and it would meet with a very different reception from that which it had had that afternoon. He hoped now that those who had thought it was the wish of a factious opposition to desire Parliament should sit while the Committee was sitting, would consider that, of what had taken place all that had occurred since would have been abrogated, and that investigation would now be complete. He hoped there would now be an investigation, not by men chosen by the accused, not by men named by gentlemen in the dock—(laughter)—but by those who should be chosen by Parliament, indifferently to try the question of innocence or guilt—(cheers)—and try an exhaustive examination of evidence. To such a tribunal he was willing to bow, but not to three persons, whoever they might be, appointed by those on whose innocence or guilt they were to decide. He was not ready to abandon the right of Parliament to try this case. He went for maintaining the course of Justice entered on by the House of Commons, which must not be interrupted and should be resumed at the earliest moment. (He sat down amid tremendous cheers.)

“Mr. Huntington said there were occasions that inspired eloquence, great occasions, which made great men, such as the result of the large measure that had to be discussed, and of the warmth of feeling that was elicited. He would pay a poor compliment by making a lengthy speech; but however they might feel, this was a great question. He looked on it as a question, not whether a contract had been sold, but whether this country should or not be governed by Parliament. He desired to speak with reverence for the Crown, but he did not want to go back to the time of Nero, when the depository of power could fiddle while the city burned. There were times when issues were so great that the cause of truth was far greater than any man, however highly he was placed. He had told them in Parliament what he could prove of these terrible charges, if he had an opportunity afforded him. He felt that he could prove these charges then; without that he would not have jeopardized his fair fame by making them; but when he stood up at that time to do his duty, to state when he asked that means might be taken to prevent witnesses from being tampered with, and documents from being made away with, if he had then told them that, failing to wriggle out of the net into which they had betrayed themselves, the Ministry would appeal to the prorogation; if he had told them this, and had suggested that these important papers might, perhaps, be floated away, that Mr. Abbott, when asked about the draft upon him, might assert that he is the attorney of the Pacific Railway Company, and Sir John A. Macdonald himself might assert that he cannot be made to divulge the affairs of State; he might have been laughed at. (Cheers and laughter.)

“If he had half an hour of oral testimony he could explain and confirm, in the most incontestable manner, all the documentary evidence which had been already published. It had been said that he had gone into a mean business because he had got hold of secrets, and therefore could not be thought fit to sit at the table of a knight. (Cheers.) He supposed he ought to have got a certificate from the men who were guilty, in order that they might prove their own guilt. (Laughter.) What must be thought of men who argued in this manner in the press. Having, however, done his duty with the aid of men of all parties who said that he should not be crushed, what more or less could be asked than that the matter should be thoroughly prosecuted by the House of Commons itself? (Cheers.) He never believed that so long as the Ministry could prevent it, there would be any inquiry permitted. (Cheers.) He never thought that Sir Francis Hincks would testify that being advanced in life, he would prefer cash to prospective profits. (Laughter.)

“When Sir John A. Macdonald called himself a man, and when, laying his hand on his heart, he declared that there was no truth whatever in the charges which had been

made, was it likely he would have appeared before a Committee and have said that there were papers in the hands of another party which would prove all the charges against him, and which he had sought to destroy. (Cheers.) Was it likely that he would have told them of that telegram asking for another \$10,000 with the assurance that he would, if he got that last demand, ask for no more? (Cheers.) Circumstance had, in this matter of delay, been constantly in favour of the Ministry, but Providence had, on the contrary, been always against them. To-day it was a contest of Providence on one side and prorogation on the other; and if they would stand by their own rights, they would find that Providence would gain the victory. (Cheers.) He then returned thanks to several able men who had assisted him in carrying on this prosecution—men who were not all of the party to which he belonged, but who had firmly lent him their support. There were, indeed as many Conservatives as there were Liberals who would feel deeply humiliated at the reflection that the prerogative of the Crown had been to-day trampled in the dust, for the sake of screening men who had rendered themselves guilty of the worst crimes against the liberty of the people. The Hon. Sir John A. Macdonald always showed himself in favour of a Royal Commission, but that project did not take with the House. The honourable members, however, have the promise of this blessing being shed upon them, and Sir John A. Macdonald would now, no doubt, be most anxious to prove his own guilt. (Cheers.) They might, however, see that Sir Francis Hincks did not rush to the front with much alacrity when his evidence was called for; yet under this blessed Commission, this great alacrity will, of course, be exhibited by him. He did not believe it. Sir Hugh, according to his judgment, when called into the witness box, would say that he cannot criminate himself. The Commissioners would say certainly not, and the right honourable gentleman would then rub his hands and say he never thought of that, and that he is inexpressibly sorry. (Cheers.) He had in Parliament told the House that he could prove these charges which he had made, and told them now that although temporary contumely had been thrown on Parliament, it would at least be before Parliament that they would carry this prosecution to its rightful close. (Immense cheering.)

“Mr. Dorion said that instead of a speech he would suggest an adjournment till seven o'clock, and the appointment of a Committee to prepare resolutions to be adopted. He had merely to touch upon the Oaths Bill. Whose fault was it that the evidence had not already been taken on oath? It was the fault of those who had, in an unusual manner, sent this Oaths Bill to England, even before Parliament was adjourned, for he was informed that Bills had never, for many years, been sent to England until three months after the rising of Parliament, and when all the Acts of the Session had been printed and bound and sent at the same time; yet there were two Acts, one of our own Parliament, and one of that of Ontario, which, though liable to the same objection, had never been disallowed to this day. The disallowance must, therefore, have been procured by some influence, he would not say by what, to screen men who had disgraced the names of Canadians. The prerogative right was supposed to be employed to protect the liberties of the people; to-day it has been employed to destroy them, and this act would create an excitement throughout the country, little expected, he believed, by the Governor-General, who, in proroguing the House, had acted upon advice from persons not at all qualified to give it.

“The meeting then adjourned till seven o'clock.

“In the evening a very large and most enthusiastic meeting of members and others was held in the Railway Committee Room, under the presidency of Mr. Mackenzie. The room was crowded to its utmost capacity, and the feeling manifested was that of the deepest indignation against the Ministry, who had trampled on the constitutional rights of the people. The Governor-General was also spoken of as having over-stretched the Royal prerogative, which, instead of being exercised to shield the Ministry from inquiry, should have been used to hasten and second the proper conduct of an inquiry.

“It was moved by Mr. Cauchon, seconded by Mr. Mills, and resolved:

““That in the opinion of this meeting, the prorogation of Parliament without giving the House of Commons the opportunity of prosecuting the inquiry which it had undertaken, is a gross violation of the privileges and independence of Parliament, and of the rights of the people.”

“Moved by Dr. Forbes, seconded by Mr. Cartwright, and

“Resolved—‘That, in the opinion of this meeting, the House of Commons is the proper body to institute and prosecute an inquiry into the pending charges against Ministers; and that the action of the accused Ministers, in removing the inquiry from the Commons, and appointing a Commission under their own control to try themselves, is a gross violation of the rights, privileges, and independence of Parliament; and it will

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‘be the imperative duty of the House of Commons at the earliest moment at which it is allowed to meet, to take action for the vindication of their rights; and for the resumption of a Parliamentary inquiry.’

“Eloquent and stirring addresses were delivered by Messrs. Cauchon, Mills, Forbes, Cartwright, Hon. A. J. Smith, Isaac Burpee, McDonald (Inverness), Cunningham, Coffin, Goudge (Hants), Fiset, Senators Letellier de St. Just, Christie, Rymal, Hon. John Young, Jetté, Anglin, and Mackenzie.

“The meeting broke up about 10.33 P.M.

“Although many gentlemen who had previously been identified with the Government were present, not one of them expressed dissatisfaction with the proceedings, or in any way indicated their dissent. Each member proposed to bring the matter before his constituents at the earliest possible moment, and there is little doubt that there will be a tremendous agitation throughout the length and breadth of Canada.”

No. 5.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

MY LORD,

Canada, August 18, 1873,

F. * No. 4.

IN my previous Despatch of the 15th of August,* I had the honour of informing your Lordship of the circumstances under which Parliament was prorogued on the 13th.

As a consequence of that event, the Pacific Railway Committee of Inquiry became extinct, and, as I have already mentioned, an interval of eight or ten weeks was to elapse before the re-assembly of Parliament. A question consequently arose as to whether, during this short recess, anything could be done to forward the hitherto abortive inquiry touching the Pacific Railway Charter.

When I was at Prince Edward Island, and in communication with my two Ministers, Messrs. Tilley and Tupper,—shortly after the publication of the McMullen correspondence,—I had intimated to them that, should the Committee of the House of Commons find itself unable to prosecute the investigation, the truth must be got at somehow, and that perhaps an inquiry conducted before three Judges of the land might prove a satisfactory issue out of the difficulty. In making this suggestion I was actuated by a double motive. In the first place, I was deeply distressed at the embarrassing relations which existed between my Ministers and myself. These gentlemen were being assailed by irresponsible newspaper correspondents with accusations of the most injurious description. Documents which perhaps in themselves proved nothing, had been brought into an alleged connection with a narrative that invested them with a very sinister signification. The Parliamentary Committee that had undertaken to discover the truth appeared to be paralyzed, and the accused were thus shut out from all means of vindicating their characters. Yet it was to these persons I was bound to recur for advice in all matters affecting the administration of public affairs. Again, as an Imperial officer, it was my duty to watch with especial care over Imperial interests. The allegations current against my Ministers and others, was that they had fraudulently dealt with certain monetary trusts, voted indeed by the Parliament of Canada, but guaranteed, to a considerable extent, by the Imperial Government. This being so, I was evidently bound, apart from any action of the Canadian House of Commons, whose powers of scrutiny seemed for the present of small avail, to obtain satisfaction in regard to these matters by any constitutional methods within my reach. Indeed, from this point of view, it was not the Ministry of the day—who are but an evanescent Committee of Parliament—but the Parliament of Canada itself that was responsible to Great Britain in respect of any malversation which might have occurred, as having confided the disposal of these interests to improper agents.

At the same time, as long as the Parliamentary Committee was in existence, even though it had ceased to act, the resort to any other instrument of investigation was not desirable. Beyond, therefore, the casual suggestion to which I have referred, nothing further was volunteered by me in this sense. When, however, the prorogation of Parliament being decided upon, and the Committee of the House of Commons being about consequently to become extinct, my Government undertook, on its own responsibility, to

advise the issue of a Commission to three Judges of character, standing, and acknowledged integrity, I had no difficulty in acquiescing in their recommendation.

I have now, therefore, to inform your Lordship that on the 14th of August I signed a Commission at the instance of my Responsible Advisers, and by virtue of the powers vested in the Governor-General by the Canadian Act of 31 Vict., cap. 38, to the Honourable Judge Day, the Honourable Judge Polette, and Judge Gowan, authorizing them to inquire into the various matters connected with the issue of the Pacific Railway Charter. A copy of the Commission I have the honour to append.

On referring to it, your Lordship will observe that the purview of the Commission is very wide and inquisitorial, and that there is nothing to restrict its reception of anything that may appear to deserve the name of evidence. The professional antecedents of these gentlemen are set forth in the accompanying document, which has been prepared for me by my Ministers. Only one of them is personally known to me, viz. Judge Day, who, as Chancellor of the McGill University, received me on my visit to that Institution. Since that we have improved our acquaintance, and I have no hesitation in stating, both from what I know and have learnt, that I have every confidence in Judge Day's high sense of honour, capacity, and firmness.

I have also considered it my duty to satisfy myself as to the qualifications of the two other gentlemen with whom he is associated, and I am in a position to inform your Lordship, that they are generally regarded as persons of unblemished integrity, sound judgment, and professional ability, while the length of time all three have been removed from politics frees them from the suspicion of political partisanship.

Notwithstanding the creditable antecedents of these personages, they have been sharply assailed by the Opposition press, for which the praises of the Ministerial organs is scarcely an adequate consolation. Perhaps, however, it may not be amiss that I should append two or three articles from newspapers bitterly opposed to the Government, who, nevertheless, are compelled to bear a scant and niggard testimony to the high qualities of these gentlemen.

Under ordinary circumstances, I should have thought it sufficient to have terminated my Despatch at this point, but as matters now stand, it is necessary that I should describe to your Lordship the chief features of the controversy to which the issue of this Commission has given rise.

The objections urged against it seem to be three in number.

1st. That the present investigation is not of the kind contemplated by the Act.

This point is so entirely a question of legal interpretation that I can only be guided in regard to it by my law officer.

2nd. That the issue of the Commission is an invasion of the privilege of Parliament; that Parliament being seized of the matter, no other authority has a right to concern itself in the investigation.

I apprehend that this view cannot be sustained. The powers with which the Commission is vested being legal, and granted by Parliament without limitation, it is difficult to believe that their exercise can be held an interference with the privileges of Parliament. It is not a criminal suit, but a simple inquiry that has been instituted by the House of Commons at the instance of my Ministers. Moreover, Parliament has ceased to conduct this inquiry. The Crown possesses no absolute guarantee that it will be renewed, or that when renewed it will be effectual. If Ministers fall on a vote of want of confidence on the Address, it might prove the interest of so many persons to let the matter drop, that the Committee may not be re-appointed. Unless conducted under oath, the investigation will certainly prove ineffectual, and I am advised that it is doubtful whether any device exists by which a mere Committee of the House of Commons can be enabled to swear its witnesses. If, therefore, an immediate investigation will promote the "good Government of Canada," to quote the words of the Act, I do not apprehend that Parliament can denounce the Commission as a breach of privilege. The House of Commons may declare the issue of the Commission to be inopportune and unadvisable, and may visit with its displeasure the Ministers who counselled its appointment, but it can have no *locus standi* as against the Crown itself.

Moreover, it must be remembered that the Commission can in no way intercept or supersede the jurisdiction of the House of Commons. It will be quite competent for Parliament to ignore the fact of its having existed. Its influence on the present situation will entirely depend on the way in which it discharges its functions. If the public is convinced that it has elucidated the truth—no matter with what result—its position will be unassailable; if it fails to do so, it will not require the action of Parliament to proclaim its *déchéance*.

There is yet another way of looking at the matter. Few people will deny that

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individually I have the right to require an explanation from my Ministers in regard to these transactions. But it is evident that in respect of so complicated a business I have neither the time, nor the knowledge, nor the professional acuteness necessary to unravel the tangled web of incriminatory matter presented to me. If then I possess the legal power, and if, by undertaking to answer for the Act, my Ministers endow me with the constitutional power, can Parliament complain if I take advantage of these circumstances to subject my Ministers, through the Commission that represents me, to such an interrogatory as I may deem advisable, or if I order the collection of such other evidence as may be forthcoming, and is calculated to throw light upon the business?

Nor has Mr. Huntington himself any grounds to dispute my right to take cognizance of this affair. While the Parliamentary Committee was still in existence, he approached me officially and directly with communications incriminating sworn members of my Privy Council. It is true I returned him the documents he forwarded, and declined to take personal cognizance of a matter then before a Committee of the House of Commons, but I retain his covering letter, and it is scarcely competent for him—the Committee having ceased to exist—to decline the jurisdiction of the Commission so far as it is concerned with what he himself brought to my notice. By his own act he has invited my intervention, and submitted the matter to the direct cognizance of the Crown.

Thirdly. The “personnel” of the Commission is complained of as partial to the Government, and as having been chosen by the accused. Into the personal question I need not enter further than I have done. That the Commissioners should have been named by the Government is an accident inevitable to the anomalous situation of affairs; but when we consider the character and antecedents of these gentlemen, that they sit in open court, that their powers of inquiry are unlimited, that they will act under the eyes of unsparing critics, that any appearance of flinching on their part will only stimulate the desire both in and out of Parliament for further inquiry, and that in such an event a review of the case by the House of Commons is extremely probable, I do not think that any practical objection can be taken to them on this account.

I should have much preferred that Sir John's previous offer to the House of Commons Committee should have been renewed, for, although this Committee cannot be pronounced free from those characteristics which adhere to all Parliamentary Committees on such occasions, it might possibly possess greater vigour of evisceration than a Commission, though its ultimate verdict might not prove unanimous. It would, moreover, have been able to command the appearance of Mr. Huntington as a willing prosecutor. That gentleman, as I understand, intends to question the jurisdiction of Judge Day and his colleagues. Of course, the Ministerialists asseverate that he fears being brought to book, that having thoroughly prejudiced the public mind through the agency of Mr. McMullen's letters, he would willingly let the Government lie as long as possible under the odium of a vague charge which accurate inquiry would dispose of; but this seems a groundless aspersion. Mr. Huntington may be, and indeed I trust, and so far believe, is mistaken. He may have “got hold of the wrong end of the stick,” and have been too quick in drawing inferences; it may be doubtful if he is well advised in declining to appear, if that should be his determination, but that after all he has said and done he should have misgivings as to his case, is not credible, and such an injurious supposition is unjustifiable. But the difficulties in the way of making a second offer to Messrs. Blake and Dorion appeared insuperable, for both these gentlemen in declining Sir John's former proposal to make them Commissioners, grounded themselves not only on the necessity of obtaining the House's sanction to their change of status,—an objection which, though somewhat subtle, was perhaps sustainable,—but furthermore asserted that as Commissioners their independence would be destroyed. Mr. Blake, moreover, had stated that on personal grounds he could not consent to act on a Commission appointed under the advice of Sir John Macdonald. As there was no reason to suppose that these gentlemen had changed their minds in these respect, it did not appear advisable to re-approach them on the subject.

Under these circumstances it was evident—if the interval that must elapse before the re-assembly of Parliament was to be utilized—that any inquiry which might be possible must be confided to fresh hands.

That my Ministers should desire an opportunity of making themselves heard, can be well understood. The language used on their behalf is something of this sort:—“For months past we have been the objects of the vilest calumnies. Our most confidential documents have been purloined by an informer, and dishonestly connected with a narrative which is itself untrue. Hitherto we have had no opportunity of rebutting these accusations. The instrument appointed by the House of Commons to do justice

“between us and our traducers has proved powerless for that object. Considering with whom we have to deal, we require the evidence against us to be substantiated by an oath. We are not willing to place our honour at the mercy of our accusers unless protected against perjury. We ourselves are anxious to be heard upon our oaths. We doubt whether a Committee of the House of Commons can acquire the power of swearing in its witnesses without an Imperial Act. We think it but fair before Parliament re-assembles that we should have an opportunity of answering fully, point by point, the injurious allegations brought against us. This cannot be done by mere statements. We desire therefore to subject ourselves to as searching an interrogatory as a skilled tribunal or our most bitter opponents can apply. Unless we have this opportunity we shall meet Parliament at a disadvantage. Our enemies have possessed themselves of the ear of the public for months. We have had no opportunities of counteracting these influences. Let at least our story be heard before a premature decision is snatched from Parliament, saturated as it may have become with these calumnies. We do not wish to escape from the scrutiny of the House of Commons. We know we could not do so,—did we so desire,—but since its action is for a time suspended, do not condemn us to remain, during the interval, under the opprobrium of such accusations.”

It is not my province to examine the force of this pleading. I merely report it for your Lordship's information; but no one can fail to see that my Ministers are fairly entitled, so far as the law allows them, to do whatever in them lies to dissipate the impression occasioned by the enforced silence entailed upon them by the inaction of the late Parliamentary Committee.

I have now concluded my narrative of the two important occurrences in which I have found myself so unexpectedly engaged. My anxieties have been very great, and my position most embarrassing. If I have erred in the conduct of these affairs, I feel I can count upon your Lordship's indulgence to put a favourable construction on my intentions. Trained in the liberal school of politics under the auspices of a great champion of Parliamentary rights, my political instincts would revolt against any undue exercise of the Crown's prerogative. Yet it is of this I find myself accused. I trust, however, that reflection will dissipate such impressions, and that the people of Canada will ultimately feel that it is for their permanent interest that a Governor-General should unflinchingly maintain the principle of Ministerial responsibility, and that it is better he should be too tardy in relinquishing this palladium of colonial liberty, than too rash in resorting to acts of personal interference.

Considering how eager has been the controversy, I cannot hope to escape criticism, but any irritation thus engendered will perhaps be softened by the reflection that coming to this country full of faith in its people and its destinies, I was naturally slow to believe that widespread public and personal corruption should exist among its most eminent public men. If it should turn out that I have been deceived in my estimate of Canadian purity, the error is one which Canada may afford to pardon. If, as I trust will be the case, the integrity of her chief statesmen is vindicated, I shall be well content if the fact of “my not having despaired of the Republic” is forgotten in the general satisfaction such a result will produce.

Be that as it may, there is one circumstance which we can regard with unmitigated satisfaction. The alleged revelations which have taken place have profoundly moved the whole population. Apart from the section of society “within politics” whose feeling may be stimulated by other considerations, every citizen in the country, no matter how indifferent to public affairs, has been dismayed and humiliated by the thought that such things as are alleged to have taken place by Mr. McMullen and Mr. Huntington should be possible. This is a re-assuring sign, and even should it be found, which God forbid, that the Government has been unworthy of the trust confided to it, the indignation and the searchings of heart that will ensue throughout the land will go far to cleanse the public life of Canada for many a year to come.

I must apologize for the length of this and my previous Despatch, but in recording these transactions, I felt that I was contributing to a page of the History of Canada.

I have, &c.,

The Earl of Kimberley,
&c. &c. &c.

(Signed) DUFFERIN.

Enclosure 1 in No. 5.

CANADA.

THE ROYAL COMMISSION.

(L.S.)

DUFFERIN.

CANADA.

VICTORIA, by the grace of God, of the United Kingdom of Great Britain and Ireland
 QUEEN, Defender of the Faith, &c., &c., &c.

To the Honourable Charles Dewey Day, of the City of Montreal, in the Province of Quebec, in our Dominion of Canada, late one of the Judges of the Superior Court, in and for Lower Canada; the Honourable Antoine Polette, of the City of Three Rivers, in the said Province of Quebec, one of the Judges of the Superior Court, in and for Lower Canada; and James Robert Gowan, of the Town of Barrie, in the Province of Ontario, in our said Dominion, Esquire, Judge of the County Court of the County of Simcoe, in the said Province of Ontario, and to all to whom these presents shall come, or whom the same may in any wise concern.

GREETING :

John A. Macdonald, Attorney-General, Canada.

WHEREAS, the Honourable Lucius Seth Huntington, of the City of Montreal, in the Province of Quebec, a member of the Honourable the House of Commons of Canada, in his place in Parliament, did, on the second day of April, in the year of our Lord one thousand eight hundred and seventy-three, move the following Resolution:—
 “That he, the said Lucius Seth Huntington, is credibly informed, and believes that he
 “can establish by satisfactory evidence, that in anticipation of the legislation of last
 “Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan,
 “acting for himself and certain other Canadian promoters, and G. W. McMullen,
 “acting for certain United States capitalists, whereby the latter agreed to furnish all the
 “funds necessary for the construction of the contemplated Railway, and to give the
 “former a certain percentage of interest, in consideration of their interest and position,
 “the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh
 “Allan at its head.

“That the Government were aware that these negotiations were pending between the
 “said parties.

“That subsequently an understanding was come to between the Government and Sir
 “Hugh Allan and Mr. Abbott, one of the members of the Honourable the House of
 “Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum
 “of money for the purpose of aiding the election of Ministers and their supporters at the
 “ensuing general election, and that he and his friends should receive the contract for the
 “construction of the railway.

“That accordingly Sir Hugh Allan did advance a large sum of money for the purpose
 “mentioned, and at the solicitation and under the pressing instances of Ministers.

“That part of the moneys expended by Sir Hugh Allan in connection with the obtain-
 “ing of the Act of Incorporation and Charter were paid to him by the said United States
 “capitalists under the agreement with him.

“That a Committee of seven members be appointed to inquire into all the circum-
 “stances connected with the negotiations for the construction of the Pacific Railway with
 “the legislation of last Session on the subject, and with the granting of the Charter to Sir
 “Hugh Allan and others, with power to send for persons, papers, and records, and with
 “instructions to report in full the evidence taken before, and all proceedings of, the said
 “Committee,” which said Resolution, upon a division of the said House, was lost:

And whereas the Right Honourable Sir John Alexander Macdonald, Knight, also a
 member of the said House of Commons of Canada, in his place in Parliament, did, on
 the eighth day of April aforesaid, move a Resolution in the words following:—“That a
 “Select Committee of five members (of which Committee the mover shall not be one)
 “be appointed by this House to inquire into and report upon the several matters con-
 “tained and stated in a Resolution moved on Wednesday, the second day of April instant,
 “by the Honourable Mr. Huntington, member for the county of Shefford, relating to
 “the Canadian Pacific Railway, with power to send for persons, papers, and records, to
 “report from time to time, and to report the evidence from time to time, and if need be
 “to sit after the prorogation of Parliament,” which said last-named Resolution was
 carried:

And whereas, by an Act of the Parliament of Canada, passed on the third day of
 May, in the year of our Lord one thousand eight hundred and seventy-three, and in the
 thirty-sixth year of our reign, intituled “An Act to provide for the Examination of Wit-
 “nesses on Oath by Committees of the Senate and House of Commons in certain cases;”
 it is amongst other things in effect enacted, that—

“Whenever any witness or witnesses is or are to be examined by any Committee of the Senate or House of Commons, and the Senate or House of Commons shall have resolved that it is desirable that such witness or witnesses shall be examined upon oath, such witness or witnesses shall be examined upon oath or affirmation, where affirmation is allowed by law :”

And whereas, the Honourable John Hillyard Cameron, also a member of the said House of Commons of Canada, in his place in Parliament, did, after the passing of the said above-named Act of Parliament, and on the third day of May aforesaid, move a resolution in the following words :—

“That it be an instruction to the said select Committee, to whom was referred the duty of inquiry into the matters mentioned in the statement of the Honourable Mr. Huntington relating to the Canadian Pacific Railway, that the said Committee shall examine the witnesses brought before it upon oath,” which was carried :

And whereas the said Act of Parliament has since the passing thereof been disallowed by Her Majesty :

And whereas no power exists whereby the said Committee, so appointed as aforesaid, can legally administer oaths to witnesses brought before it, whereby one of the objects desired by the said the House of Commons cannot be attained :

And whereas it is in the interests of the good government of Canada, not only that full inquiry should be made into the several matters contained and stated in the said above recited resolution of the 8th day of April aforesaid, but that the evidence to be taken on such inquiry should be taken on oath in the manner prescribed by the said resolution of the 3rd of May aforesaid, and the Governor in Council has deemed it expedient such inquiry should be made :—

Now know ye that, under and by virtue, and in pursuance of the Act of the Parliament of Canada made and passed in the thirty-first year of our reign, intituled “An Act respecting inquiry into Public Matters,” and of an order of the Governor in Council, made on the 13th day of August, in the year of our Lord one thousand eight hundred and seventy-three,—We, reposing especial trust and confidence in the loyalty and fidelity of you, the said Charles Dewey Day, Antoine Polette, and James Robert Gowan, have commanded and appointed you to be our Commissioners for the purpose of making such inquiry as aforesaid, of whom, you the said Charles Dewey Day, shall be Chairman, and we do authorize and require you, as such Commissioners, with all convenient despatch, and by and with all lawful ways and means, to enter upon such inquiry and to collect evidence, and to summon before you any parties or witnesses, and to require them to give evidence on oath, or on solemn affirmation, if they be parties entitled to affirm in civil matters, and to produce such documents and things as you may deem requisite to the full investigation and report of the matters and statements aforesaid.

And we do hereby order and direct that the sittings of you, the said Commissioners under this our Royal Commission, shall be held at the City of Ottawa, in our Dominion of Canada.

And we do require you to communicate to us through our Secretary of State of Canada, and also to the Honourable the Speaker of the Senate, and to the Honourable the Speaker of the House of Commons of Canada, as well the said evidence, as any opinions which you may think fit to express thereupon. And we do strictly charge and command all our officers and all our faithful subjects, and all others, that in their several places, and according to their respective powers and opportunities they be aiding to you in the execution of this our Commission.

In testimony whereof we have caused these our letters to be made patent, and the Great Seal of Canada to be hereunto affixed. Witness our right trusty and well-beloved cousin and councillor the Right Honourable Sir Frederic Temple, Earl of Dufferin, Viscount and Baron Clandeboye of Clandeboye, in the County Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye of Ballyleidy and Killeleagh, in the County Down, in the Peerage of Ireland and a Baronet, Knight of our Most Illustrious Order of Saint Patrick, and Knight Commander of our Most Honourable Order of the Bath, Governor-General of Canada, and Vice-Admiral of the same.

At our Government House, in our City of Ottawa, this fourteenth day of August, in the year of our Lord one thousand eight hundred and seventy-three, and in the thirty-seventh year of our reign.

By command,
(Signed) J. C. AIKINS,
Secretary of State.

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Enclosure 2, in No. 5.

(FROM THE 'MONTREAL HERALD.')

"THE ROYAL COMMISSION.—We are informed that the Royal Commission, who are appointed to investigate the charges made by Mr. Huntington against the Ministry, is to consist of Mr. Justice Day as President, Mr. Justice Polette, of the Superior Court for the district of Three Rivers, and Mr. Justice Gowan, a country Judge, we believe, of Ontario. If this be the case, apart from the outrage of taking out of the hands of the House of Commons, an affair of which that body has taken cognizance, there is nothing in the distinguished character of the men composing the Commission, with the single exception of Mr. Justice Day, which can at all atone for the insult put upon the representatives of the people. Judge Polette is a very respectable member of the Bench. As to Judge Gowan we know nothing."

(FROM THE 'MONTREAL HERALD.')

"THE PERSONAL COMPOSITION OF THE ROYAL COMMISSION.—Of the Chairman of the Royal Commission, Mr. Justice Day, we of course speak only in terms of respect. He is a man of great capacity and learning, and he occupies a position which ought to make him independent. We cannot, however, we confess, imagine by what eccentric freak of judgment he has been induced to take a position, the assumption of which no one better than himself must know to be a direct breach of the privileges of the House of Commons—an assumption which the Commons of England would punish, which has already been condemned by the majority of our own House of Commons in the most formal manner in which they were able to express an opinion, and whose object is merely to enable the leaders of a broken party to shelter themselves from the necessity of appearing before the constitutional tribunal. As to Mr. Gowan, we are also ready to award him the praise of being a highly respectable magistrate, but not one whose distinction, as we before remarked, could lessen the insult offered to Parliament by his employment in this most improper task. There is, however, one circumstance which, if we are rightly informed, makes his appointment exceedingly indecent on a Commission, not like the Parliamentary Committee, composed of opposing forces, but of men whose single merit, if merit they have, is their impartiality—this is his well known friendship, amounting almost to affection, for Sir John A. Macdonald. We are sorry to say that we must speak in quite a different manner of the third associate in this Commission, Mr. Justice Polette, &c. &c. &c."

(FROM 'LE JOURNAL DE QUEBEC.')

"La commission royale, suivant le télégraphe, se composerait, du juge en chef Draper, de l'ex-juge Day et du juge Polette.

"M. Draper était appelé 'the artful Dodger,' et, avec son incontestable habileté, n'eut jamais la confiance, même de son parti.

"Nous n'avons rien à dire, contre MM. Day et Polette, et nous avons seulement à regretter qu'ils aient accepté cette commission, qui est un outrage aux droits du parlement."

Enclosure 3 in No. 5.

MEMORANDUM.

FOR HIS EXCELLENCY THE GOVERNOR GENERAL.

JUDGE DAY,

Was, in 1842 and for some years, Solicitor General for Lower Canada in a Coalition Government.

In 1849 he was appointed a Judge of the Superior Court of Lower Canada by the Reform Government of Baldwin and Lafontaine. While on the Bench he exhibited high qualities as a Judge.

In 1856 he was selected by the Government as one peculiarly qualified and appointed Commissioner to revise and consolidate the Statutes relating to Lower Canada. He was engaged at that work about seven years. Feeling a distaste for returning to the Bench after so long an absence, he retired on the statutory provision.

Since his retirement from the Bench he has been very much engaged as an arbitrator—chosen because of his high reputation for judicial and moral qualities.

Shortly after Confederation, Judge Day was appointed arbitrator by the Government of Quebec, to act with Senator Macpherson and Colonel Gray, chosen by the Government of Ontario and the Government of the Dominion respectively, to adjust the relative debts of Quebec and Ontario, arising out of their former union. Judge Day is Chancellor of the McGill University.

JUDGE GOWAN,

When at the Bar, was partner in business of the late Hon. James E. Small, who was Solicitor-General for Upper Canada, in the Reform Government of 1842, when Mr. Robert Baldwin was Attorney-General. Mr. Small was considered an extreme Reformer, Mr. Gowan a moderate one. They practised Law at Toronto. Mr. Gowan's reputation as a lawyer was speedily established and rose high. In 1843, he was appointed Judge of the County Court of the County of Simcoe, by the Reform Government of Baldwin and Lafontaine. He has held that position ever since, and exhibited therein the best qualities of a Judge, while his charges to the Grand Juries have frequently commanded respectful attention throughout the Province of Ontario.

About the year 1849, Mr. Gowan was appointed by the Governor in Council, a Commissioner, in association with the late Judge Harrison (an English barrister), O'Reilly, Campbell, and Malloch, for the drawing up and establishing of the rules regulating the procedure of Division Courts in Upper Canada. He was afterwards appointed by the Governor in Council, in association with the present Chancellor Spragge and the late Judge Burns, of the Court of Queen's Bench, a Commissioner to regulate the practice and procedure in the Surrogate Courts of Upper Canada.

After the passing of the Common Law Procedure Act, in 1856, the Judges of the Superior Courts of Upper Canada were empowered to draw up rules of procedure for the County Courts, and being empowered to associate with them one County Court Judge for that purpose, they selected Judge Gowan.

When the County Court Judges of Ontario held their Convention at Toronto some years ago, to consult about matters connected with the County Courts, with a view to recommending changes, Mr. Gowan was unanimously chosen as Chairman, notwithstanding the fact that several of the Judges present were senior to him.

In 1857, the late Sir James Buchanan Macaulay having retired from the Chief Justiceship of the Common Pleas in Upper Canada, was asked to accept the appointment of a Commissionership with others, to consolidate the Statutes of Canada and of Upper Canada; he declined to accept the position unless Judge Gowan were associated with him. Mr. Gowan, however, declined to accept an appointment, but agreed to assist the Commissioners and did so.

In 1862, disputes having arisen between the Government and the Contractor for the erection of the Parliament Buildings at Ottawa, respecting the work and the contract, a reference was made to arbitration, the Government choosing one of the arbitrators and the Contractor another; these two arbitrators agreed upon Mr. Gowan as the third arbitrator, it being provided by the reference that they should select a Judge from Upper Canada for that position.

In 1869, he was associated with Judge Wilson of the Court of Queen's Bench, Judge Gwynne of the Common Pleas, and the present Vice Chancellor Strong, on the Commission appointed by the Government of Ontario, to inquire into and report upon the working of the machinery of the Courts of Law and Equity in Ontario, with power to report a scheme for the fusion of those Courts.

Judge Gowan is the Chairman of the Commission of County Court Judges, appointed by the Ontario Government. He has been consulted by each successive Attorney-General for Upper Canada since 1842, on the subject of proposed changes in the Criminal, Municipal, and other Laws.

JUDGE POLETTE.

Was, from 1847 to 1858, a member of the Parliament of Old Canada, when he commanded attention and respect. In 1860, he was appointed Judge of the Superior Court of Lower Canada, and in that capacity he appears to have won the unanimous respect of his brother Judges of the bar and of the public. He was recommended to Sir John A. Macdonald by Chief Justice Meredith, of the Province of Quebec, as a man who is peculiarly fitted by reason of his ability, his integrity, and his thorough independence of character to act on the present Commission.

The Chief Justice was asked to act, but he declined, and recommended Mr. Polette in his stead.

The EARL OF KIMBERLEY to The EARL OF DUFFERIN.

MY LORD,

Downing Street, October 9, 1873.

I HAVE received and laid before the Queen your Lordship's Despatches of the 15th August, and of the 18th August,* giving an account of the circumstances connected with the recent prorogation of the Dominion Parliament, and the issue of a Commission to inquire into the charges brought forward by Mr. Huntington. Her Majesty's Government have read these clear and able statements with much interest. It is not their duty to express any opinion upon the particular measures adopted on the advice of your responsible Ministers, but they fully approve your having acted on these matters in accordance with constitutional usage.

The Earl of Dufferin,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

MY LORD,

Canada, October 4, 1873.

I HAVE the honour to direct your Lordship's attention to the subjoined extract from a speech delivered by the Hon. Edward Blake, at London, Ontario, on the 17th of August, in which he deals with the question as to how the Committee of Inquiry on the Pacific Railway Charter might be empowered to obtain evidence on oath:—

“Now there have been pointed out several Parliamentary modes by which oaths may be administered. I shall refer to one, that which at the moment commends itself most to my judgment. It is the proposal that an act should be passed authorizing certain named persons, members of the Committee or others, to administer an oath. This would in fact constitute a Parliamentary as distinguished from a Royal Commission.”

2. I have made the foregoing extract for the purpose of drawing the attention of your Lordship to the possibility of a Bill of the nature indicated by Mr. Blake being sent up for my sanction when Parliament next assembles, and of the consequent advisability of my being provided before hand with instructions from your Lordship as to the manner in which I should deal with it.

3. Your Lordship will perceive that two alternatives are suggested by Mr. Blake, each of which had better be considered separately.

4. Mr. Blake's first proposition is that the individual members of the actual Committee should be empowered by Act of Parliament to swear in their witnesses.

5. Inasmuch, however, as I have already been instructed by your Lordship that the Parliament of Canada does not possess the general power of enabling any of the Committees of the House of Commons to take evidence on oath, I should apprehend that it cannot be supposed to possess the particular power of doing so in respect of the individual members of a Committee.

6. The second alternative of Mr. Blake's is that a similar Act should be passed in which “others” should be endowed with these powers, and in illustration of his meaning he refers to the Commission which was constituted by Act of Parliament to examine into the charges preferred against Lord Melville during Mr. Pitt's administration. But with respect to this proposition it is to be observed that the persons appointed on the statutory Commission of 1804, referred to by Mr. Blake, were not members of the House of Commons, and it is especially provided by the Act in question that in the event of the death of one of the Commissioners his successor should be nominated, not by the House of Commons, but by the King, and must not be a member of Parliament.

7. Under these circumstances were a Bill of the nature suggested by Mr. Blake to be submitted for my sanction, I should feel bound to reserve it for the consideration of the Imperial Government. This course would be rendered still more imperative in consequence of my having received the enclosed memorandum from my responsible law adviser, Sir John Macdonald, whose attention I had drawn to the subject, in which he raises a further objection to the mode of procedure recommended by Mr. Blake.

8. I may remark in conclusion that the conflicting opinions thus expressed by my Minister of Justice, and by one of the most eminent leaders of the Opposition, show that grave and momentous issues would have been immediately raised had Parliament attempted

* Nos. 4 and 5.

to proceed to the despatch of business on the 13th of August, more especially if the programme of the Opposition, as implied by Mr. Blake's speech, included the reconstruction of the Committee of Inquiry, and the possible selection of new members to serve upon it, under the authority of an Act which it would have been alleged Parliament was not competent to pass.

9. It is obvious that with seventy members of the House of Commons absent, and not a dozen Senators in their places, no arrangements relative to the reconstruction of the Committee, especially if they required any legislative sanction, could have been entered upon on the 13th of August with advantage to the country, with justice to the unrepresented and imperfectly represented Provinces, or with any show of fairness to my Ministers.

I have, &c.

DUFFERIN.

The Earl of Kimberley,
&c. &c. &c.

Enclosure in No. 7.

Office of the Minister of Justice,
Ottawa, October 3, 1873.

With reference to the suggestion made by Mr. Blake, that an Act might be passed by the Parliament of Canada authorizing the issue of a Royal Commission of Inquiry, and giving such Commission power to take evidence on oath, I am of opinion that it would be within the competence of Parliament to pass such an Act, and that the Courts must hold it to be valid.

It may be doubted, however, whether a measure of this kind should be entertained by Parliament, except at the instance of the Crown.

The Statutory Commission on Naval Accounts, which resulted in the impeachment of Lord Melville, is cited by Mr. Blake. The Act authorizing that Commission was introduced at the instance of the Admiralty. Objection was taken to it on the ground that the Admiralty or Navy Board had power sufficient for the purpose. The Act was, however, considered necessary by the Crown, in order to enforce the attendance of witnesses, and to enable the Commission to take evidence on oath. The Commissioners were named in the Statute, but selected by the Crown. I would suggest that your Excellency should ask for instructions, in anticipation of a measure of the nature indicated being passed here next Session.

(Signed) JOHN A. MACDONALD.

No. 8.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

Government House, Ottawa,
October 23, 1873.

(Received 4th November).

MY LORD,

I HAVE the honour to transmit herewith a copy of the Speech with which I this day opened the Session of the Dominion Parliament.

I have, &c.,

(Signed) DUFFERIN.

The Earl of Kimberley,
&c., &c. &c.

Enclosure in No. 8.

Chamber of the Senate,
Ottawa, Thursday, October 23, 1873.

His Excellency the Governor-General, at three o'clock P.M. this day, proceeded in state to the Chamber of the Senate, and having taken his seat upon the throne, His Excellency commanded the attendance of the House of Commons: and that House being present, His Excellency was pleased to open the Second Session of the Second Parliament of the Dominion of Canada, with the following Speech from the Throne:—

Honourable Gentlemen of the Senate,

Gentlemen of the House of Commons,

In accordance with the intimation given by me at the close of last Session, I have caused Parliament to be summoned at the earliest moment after the receipt of the Report of the

Commissioners appointed by me to inquire into certain matters connected with the Canadian Pacific Railway.

CANADA.
—

The evidence obtained under the Commission deserves careful consideration. The Report will be laid before Parliament, and it will be for you then to determine whether it can be of any assistance to you.

A Bill for the Consolidation and Amendment of the Laws in force in the several Provinces relating to the Representation of the People in Parliament will again be submitted to you. By the postponement of this measure from last Session you will have the advantage of including in its provisions the Province of Prince Edward Island, now happily united to Canada.

The Canadian Pacific Railway Company, to whom a Royal Charter was granted, have, I regret to say, been unable to make the financial arrangements necessary for the construction of that great undertaking. They have therefore executed a surrender of their Charter, which has been accepted by me.

You will, I trust, feel yourselves called upon to take steps to secure the early commencement and vigorous prosecution of the construction of that Railway, and thus to carry out, in good faith, the arrangement made with the Province of British Columbia. A measure for this purpose will be submitted for your consideration.

The extension of the bounds of the Dominion has caused a corresponding increase in the work of administration, and seems to call for additional assistance in Parliament as well as in Executive Government. A Bill on this subject will be laid before you.

Your attention will be invited to the consideration of a Bill for the establishment of a General Court of Appeal.

Measures relating to our navigable waters and to the Inspection Laws, will be laid before you; as also a Bill for the establishment of a Dominion Board of Agriculture.

The subject of the law relating to insolvency will necessarily engage your attention.

The efforts made by the several Provinces as well as by the Dominion to encourage immigration, have met with success, and a large number of valuable settlers has been added to our population. I do not doubt that you will continue your liberal aid to this important object.

Gentlemen of the House of Commons,—

I have directed that the accounts of the past financial year shall be laid before you. The prosperous condition of our finances continues, and the revenue has been sufficient to meet all charges upon it.

The estimates for the ensuing year will be laid before you. They have been prepared with due regard to economy, as well as to the efficiency of the public service; and I trust that the supplies which are necessary will be granted without inconvenience to the people.

Honourable Gentlemen of the Senate,

Gentlemen of the House of Commons,

Your best attention will, I doubt not, be devoted to the important interests committed to your charge, and I am confident that your deliberations will redound to the advantage and prosperity of the country.

No. 9.

The EARL OF KIMBERLEY to The EARL OF DUFFERIN.

MY LORD,

Downing Street, November 7, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch of October 23,* enclosing a copy of the Speech with which on that day you opened the Session of the Parliament of Canada.

The Earl of Dufferin,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

* No. 10.

No. 10.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

CANADA.
—

Canada, Nov. 3, 1873.

(Received 19 November.)

MY LORD,

I HAVE the honour to forward for your Lordship's information six copies of the evidence taken before the Royal Commission appointed to inquire into the recent issue of the Canadian Pacific Railway Charter.

2. Prefixed to this evidence will be found the Commissioners' Report of the number and names of the witnesses they summoned, as well as of those who failed to appear, together with a record of other facts connected with their proceedings.

3. The Appendix contains, among other documents, a letter from the Hon. Lucius Seth Huntington, in which he states the grounds upon which he declined the jurisdiction of the Commission.

4. All these papers having now passed under the consideration of the House of Commons and of the Senate, it may be premature as yet to address your Lordship upon them, but as the Commissioners allude to a communication I made to them when about to enter upon their labours, it is fitting I should acquaint your Lordship with its exact nature.

5. When my Ministers originally advised the issue of the Commission, although I did not myself entertain any misgivings as to the constitutional right of the Crown in the matter, I considered that too much pains could not be taken to prevent the proceeding having even the appearance of an attempt to withdraw the case from the ultimate control and cognizance of the House of Commons. With this view I had already conveyed a definite pledge to the remonstrant members on the 13th of August, that within as short a period as could reasonably be fixed upon, Parliament should be summoned for the express purpose of dealing with the matter in whatever way it might determine, and in the same intention, when the Commissioners, shortly before commencing their proceedings, applied to me for instructions on one or two points on which they did not feel at liberty to communicate with Sir John Macdonald, I took the opportunity of reminding them—

First. That their functions were not judicial, but expurgatory and inquisitorial; and,

Secondly, That their procedure should be conducted in such a way as in no degree to prejudice any future action which it might please the House of Commons to take.

6. Acting upon this recommendation, or rather in harmony with it, as they state in their Report, the Commissioners have very properly confined themselves to the collection of the evidence, and have not sought to anticipate the verdict of Parliament by the expression of any opinion of their own upon the facts they have elicited. They add, however, that they are prepared to do so if required.

7. I was the more induced to take the above step on learning that Mr. Huntington would probably decline to appear as a witness, or in any way to further the prosecution of the inquiry.

8. Of course, it was evident—if Mr. Huntington would consent to act either in person or by counsel—that with Sir John Macdonald, Sir Hugh Allan, Mr. Abbott, and others in the witness-box, no concealment would be possible, for in the circumstances in which they were placed the refusal of these gentlemen to answer any question would prove more fatal to their cause than the most damaging admissions; but in default of Mr. Huntington's assistance, it was equally evident that a far greater burden would be thrown upon the Commissioners than had been originally contemplated, and that the chances of an exhaustive investigation would be proportionately curtailed.

9. It was, therefore, with regret I learnt that Mr. Huntington had finally decided not to put in an appearance. Satisfied as I was, notwithstanding this gentleman's remarkably able argument to the contrary, that the appointment of the Commission was—whether assailable or not on other grounds—both a legal and a constitutional act, and, to use the language of the Law Officers of the Crown, in no sense an interference with the privileges of Parliament, it appeared to me an unfortunate circumstance that the conscientious, but, as I now apprehend it will be admitted, the unfounded scruples of Mr. Huntington and his friends upon the point, should have deprived the inquiry of that complete and thorough character it would otherwise have possessed.

10. It is true the diligence of the Commissioners in meeting the additional responsibilities thus imposed upon them, has remedied the defect so far as circumstances permitted, and I am glad to see signs of their services in this respect having at last obtained a tardy recognition at the hands of those who were at first most unfavourably disposed towards them; for there has, perhaps, been no more disagreeable feature in this business than the extraordinary amount of personal abuse which has been heaped upon the heads of these unoffending gentlemen.

CANADA.

11. In England many of our Judges have passed straight from the arena of politics to the Bench, and to these high functionaries has now been assigned an extensive jurisdiction over delicate and hotly contested political issues; but no matter what the verdict they render, it would never enter into the minds of any of their countrymen to question for a moment their professional honour. As far as I have observed the judiciary of Canada occupy as high a moral and intellectual level in relation to the other classes of society in the Dominion, as their brethren in Great Britain. They hold their appointments on the same terms,—their tenure of office is as secure,—nor would it ever have occurred to me that a taint of suspicion could attach to the National Ermine. Yet it seemed to be taken for granted that because Judge Day, Judge Gowan, and Judge Polette had been nominated,—as of necessity was the case,—on the advice of the Government, these eminent personages must therefore be ready to sacrifice their personal honour, their professional reputation, their sense of duty to the Queen, and to their country, in a transparent and ineffectual attempt to screen from justice a Ministry of whom they were absolutely independent.

12. Happily as time went on, a better feeling began to evince itself, the language of the hostile press became more moderate, and although occasional complaints were made that this or that line of interrogation was not followed up with sufficient pertinacity, it came to be admitted that some of the main purposes for which the Commission had been appointed were being promptly and fairly accomplished.

13. These anticipations have been now fulfilled by the acceptance on the part of the House of Commons of the Commissioners' Report, and of the body of evidence placed by them at its disposal,—a result which has found its final consummation in Mr. Mackenzie having founded the vote of censure he is now pressing "on the facts"—to quote the words of his motion—"disclosed in the evidence laid before us."

14. Although I should be unwilling to refer to the appointment of the Commission in any other terms than those I have already used in my original Despatch of August 18th, in which I state that although "I do not apprehend that Parliament can denounce the Commission as a breach of privilege, it would be perfectly competent for the House of Commons to declare its issue inopportune and unadvisable, and to visit with its displeasure the Ministers who counselled its appointment." I cannot help observing that in several respects the practical result obtained can hardly be said to have been unsatisfactory.

15. On the 13th of August last, although four months had elapsed since the inquiry into the Pacific Railway scandal had been first initiated by Mr. Huntington, the investigation had not advanced a step; since then scarcely ten weeks have passed away, yet the whole matter has become ripe for adjudication, and in a day or two a final verdict will have been pronounced.

16. Had no commission been issued, the interval between the 13th of August and the 23rd of October would have remained unutilized. A political crisis most detrimental to the public service, and entailing the most distressing relationships between the Crown and its Ministers, would have been indefinitely prolonged, and at this moment Parliament might probably be still discussing the conditions under which its Committee was to be re-constituted, and what steps were necessary to enable it to obtain sworn evidence.

17. Considerations of this kind however cannot be expected to mitigate the resentment of those who have all along been disposed—I do not say with justice—to regard the appointment of the Commission merely as a tactical device interposed by the accused to clog the course of the inquiry. But with this part of the controversy I have no concern, nor in making the foregoing observations do I wish your Lordship to understand me as undertaking to justify the Commission, or as accepting any responsibility in regard to it. It would not be a convenient practice for the Representative of the Sovereign to indicate the degree or respects in which he may approve or disapprove of any course recommended to him for adoption by his responsible advisers. I issued the Commission at the instance of those whose counsels I considered myself bound to follow, and I did so with the greater readiness, as it enabled me to obtain from my Ministers in an open Court those explanations in regard to their conduct which circumstances had rendered necessary, and which I had a right to require; but the vindication of their procedure in tendering the advice on which I acted does not lie within my province.

18. In conclusion I may observe that, although the Commission has acted as an effectual solvent of the political difficulty, and appears to have elicited all the facts necessary to display the main features of the story, it remains to be seen whether a further prosecution of the Inquiry will be thought advisable by those whom it principally concerns on either side.

I have, &c.,
(Signed) DUFFERIN.

Enclosures in No. 10.

REPORT

OF THE

ROYAL COMMISSIONERS

Appointed by Commission, addressed to them under the Great Seal of Canada, bearing date August 14, 1873, which Commission will be found printed as Enclosure 1 in No. 5.

REPORT.

To the Right Honourable Sir Frederick Temple, Earl of Dufferin, Viscount and Baron Clandeboye of Clandeboye, in the County of Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye and Bailyleidy and Killeleagh, in the County of Down, in the Peerage of Ireland, and a Baronet, Knight of the Most Illustrious Order of Saint Patrick and Knight Commander of the most Honourable Order of the Bath, Governor General of Canada, and Vice-Admiral of the same:

May it please your Excellency :

The undersigned Commissioners, appointed by Royal Commission addressed to them under the Great Seal of Canada, bearing date the fourteenth day of August, A.D. 1873, Have the honour to report—

1. That they met at Ottawa on the eighteenth day of August last for the purpose of making preparations for the discharge of the duties imposed upon them by the Commission.

2. The course of proceedings was then settled, and the fourth day of September last was appointed for entering upon the examination of witnesses.

3. The Commissioners on undertaking the inquiry they were enjoined to make had hoped that the entire conduct of it would not have been left in their hands, that the Hon. Mr. Huntington or some one who believed that the charges specified in the Commission could be established by evidence, would have conducted the inquiry before them, and they had resolved in such event, not only to accept such aid in the investigation but to allow to the promoter at least the same latitude in the mode of proceeding as the recognized officers in courts of justice are allowed in ordinary judicial investigations, and also to give to the members of the Government a like latitude for defence. This course appeared to the Commissioners to be just, and in accordance with what they believed to be your Excellency's wishes and expectations.

4. In the prosecution of their work the Commissioners have called before them such persons as they had reason to believe could give any information on the subject of it, or otherwise facilitate the investigation, and especially the Hon. Mr. Huntington, to whom a letter annexed to this Report,* was addressed on the 21st August last past, requesting him to furnish to the Commission a list of such witnesses as he might wish to examine, and to proceed on the day named with evidence in the premises.

5. A letter was also addressed to the Hon. the Secretary of State, giving notice of the day appointed for proceeding, a copy of which is also annexed.*

6. In the interval, between the first day of meeting and the day so appointed, summonses were duly served upon Mr. Huntington and others, to appear and give evidence.

7. On the fourth day of September, the Commissioners met, and after the publication of the Commission, the witnesses cited for that day were called.

8. Mr. Huntington failed to appear.

9. The evidence of the Hon. Henry Starnes was taken, and a sealed packet placed in his possession by Sir Hugh Allan and Mr. George W. McMullen was produced and deposited with the Commissioners.

10. The sealed packet was opened, with the consent of Mr. Starnes and Sir Hugh Allan, and the several papers it contained were put in proof.

11. The Commissioners then examined the other witnesses in attendance, and afterwards, on successive days, proceeded to the examination of those whose names are on the list styled "List of Witnesses to be examined," hereto annexed.†

12. Of the thirty-three gentlemen whose names are on that list, twenty-nine have been examined.

13. Two of these, Mr. George W. McMullen and the Hon. A. B. Foster, failed to appear, although duly summoned; the former through a special messenger sent to Chicago for that purpose.

* See Appendix, p. 261.

† See p. 92.

14. The other two, Mr. Henry Nathan and Mr. Donald A. Smith, are resident, the former in British Columbia, and the latter in Manitoba. The distance and consequent delay in securing their attendance, and the large outlay it would cause, rendered it inexpedient, in the judgment of the Commissioners, to call them to give evidence.

15. In addition to those whose names are on the above-mentioned list, the Commissioners have called and examined Mr. Daniel Y. McMullen, Sir Hugh Allan, the Hon. J. J. C. Abbott, and the Hon. Mr. Ouimet.

16. Most of these witnesses were cross-examined on behalf of the Government by Sir John A. Macdonald, or other members of it.

17. Mr. Charles M. Smith, of Chicago, was summoned by the Commissioners, but did not appear.

18. Evidence has also been given by Mr. Frederick C. Martin, and Mr. Thomas White, whose names were furnished by members of the Government, and Mr. George Norris, jun., and Mr. J. A. Perkins, whose names were also so furnished, were cited to appear, but made default.

19. The Commissioners, on the 23rd day of September, while still in the course of their examinations, requested, by public announcement, all persons possessing any information on the subject of the inquiry to appear and give evidence before them.

20. No evidence has been offered in answer to this announcement.

21. The Commission closed its sittings for taking evidence on the first day of October, instant. These sittings were public and open; and accommodation was provided for reporters of the public press.

22. The Commissioners have endeavoured, in obedience to the requirements of the Commission, to obtain from the witnesses all the evidence pertinent to the subject matter of the inquiry which they were able to give.

23. This evidence is contained in depositions, thirty-six in number, and in certain documents, all of which are annexed to this Report, and specified respectively in the accompanying list and schedule.*

24. If the evidence be considered redundant, it has arisen from the nature and circumstances of the inquiry, which rendered it inexpedient to limit its range by the technical rules of evidence observed in the ordinary tribunals.

25. With respect to that portion of the Commission which leaves to the discretion of the Commissioners the expression of their opinions upon the evidence, they have determined not to avail themselves of the liberty so given.

26. They had arrived at that conclusion before they were informed of your Excellency's views on the subject, and they feel confirmed and justified in it by a communication received before their labours commenced, to which your Excellency kindly permits them to allude, relating to one or two points on which they thought it their duty to consult your Excellency before entering upon the execution of their task.

27. In that communication your Excellency was pleased to express the opinion that the functions of the Commissioners were rather inquisitorial than judicial, and that the execution of them should not be such as in any way to prejudice whatever proceedings Parliament might desire to take when it reassembled in October.

28. The Commissioners coinciding with your Excellency in the view that the terms of the Commission do not require them to pronounce judicially on the evidence, consider that their duty will have been fully discharged when they shall have forwarded to the Secretary of State the accompanying depositions and documents with this Report, in triplicate, as required by their instructions—unless a Report of their opinion on the result of the evidence should be specially required.

All of which is respectfully submitted.

(Signed)

CHARLES DEWEY DAY, Chairman.

A. POLETTE,

JAMES ROBERT GOWAN, Commissioners.

Royal Commission Rooms,
Ottawa, October 17th, 1873.

* See List of Witnesses Examined, p. 92, and List of Exhibits, p. 247.

CANADA.

LIST OF WITNESSES TO BE EXAMINED.

Sir Francis Hincks.	Edward Lefebvre de Bellefeuille.	Hon. Hector L. Langevin.
Geo. W. McMullen.	Hon. Joseph O. Beaubien.	Danl. McMullen.
Hon. D. L. Macpherson.	Hon. Jean Louis Beaudry.	Chas. J. Coursol.
Hon. Mathew Henry Cochrane.	Peter S. Murphy.	Jean Baptiste Beaudry.
Hon. Asa B. Foster.	Charles A. Leblanc.	F. W. Cumberland.
Hon. Jean Charles Chapais.	Jackson Rae.	E. R. Burpee.
Norman W. Bethune.	James Dakers.	Sandford Fleming.
Andrew Allan.	Robert N. Hall.	H. N. Nathan, jun.
Louis Beaubien.	Joseph Hamel.	D. W. N. Smith.
Victor Hudon.	Wm. Blumhart.	D. McInnes.
	Sir John A. Macdonald.	Hon. A. Campbell.
		Hon. Peter Mitchell.

LIST OF WITNESSES SUMMONED.

Abbott, Hon. J. J. C.	Dakers, James.	Martin, F. C.
Allan, Andrew.	De Bellefeuille, E. L.	McGreevy, Hon. Thomas.
Allan, Sir Hugh.	Fleming, Sandford.	McInnes, D.
Beaubien, Hon. J. O.	Foster, Hon. A. B.	McMullen, George W.
Beaubien, Louis.	Hall, R. N.	McMullen, Rev. D.
Beaudry, Hon. J. L.	Hamel, Joseph.	McMullen, Danl. Y.
Beaudry, J. B.	Hincks, Sir F.	Mitchell, Hon. Peter.
Bethune, N. W.	Hudon, Victor.	Murphy, P. S.
Blumhart, W. E.	Huntington, Hon. Lucius Seth.	Norris, jun., George.
Burpee, Egerton R.	Langevin, Hon. H. L.	Ouimet, Hon. G.
Campbell, Hon. Alexander.	Le Blanc, C. A.	Perkins, John A.
Chapais, Hon. J. C.	Macdonald, Rt. Hon. Sir John A., K.C.B.	Rae, Jackson.
Cochrane, Hon. M. H.	Macpherson, Hon. D. L.	Smith, Charles M.
Coursol, C. J.		Starnes, Hon. Henry.
Cumberland, F. W.		White, jun., Thomas.

LIST OF WITNESSES EXAMINED.

Abbott, Hon. J. J. C.	Coursol, C. J.	Macpherson, Hon. D. L.
Allan, Andrew.	Cumberland, F. W.	Martin, F. C.
Allan, Sir Hugh.	Dakers, James.	McInnes, D.
Beaubien, Hon. J. O.	De Bellefeuille, E. L.	McMullen, Rev. D.
Beaubien, Louis.	Fleming, Sandford.	McMullen, Danl. Y.
Beaudry, Hon. J. L.	Hall, R. N.	Michell, Hon. Peter.
Beaudry, J. B.	Hamel, Joseph.	Murphy, P. S.
Bethune, N. W.	Hincks, Sir F.	Ouimet, Hon. G.
Blumhart, W. E.	Hudon, Victor.	Rae, Jackson.
Burpee, Egerton R.	Langevin, Hon. H. L.	Starnes, Hon. Henry.
Campbell, Hon. Alex.	Le Blanc, C. A.	White, Thomas, jun.
Chapais, Hon. J. C.	Macdonald, Rt. Hon. Sir J. A., K.C.B.	
Cochrane, Hon. M. H.		

DEPOSITIONS

Taken before the Honourable CHARLES DEWEY DAY, late one of the Judges of the Superior Court in and for Lower Canada, the Honourable ANTOINE POLETTE, one of the Judges of the Superior Court in and for Lower Canada, and JAMES ROBERT GOWAN, Esq., Judge of the County Court of the County of Simcoe, in the Province of Ontario, Royal Commissioners appointed by Commission addressed to them, under the Great Seal of Canada, bearing date the fourteenth day of August, A.D. 1873, at the Parliament Buildings, Ottawa.

(Signed) S. J. VANKOUGHNET, Esq., D.C.L.,
Secretary.

FIRST DAY.

Thursday, September 4, 1873.

The Secretary read the Commission.

The shorthand-writer sworn was Matthew Hutchinson.

PROVINCE OF ONTARIO, }
 City of Ottawa. }

IN THE MATTER OF THE COMMISSION

CANADA.
 —

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present :—THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honble. HENRY STARNES, of the City of Montreal, Banker, who being duly sworn, deposeth and saith :

I received a Subpoena *duces tecum* to appear before the Commissioners and produce the papers described therein, and I hereby produce them to be filed in this matter. The said papers were placed in my possession for safe keeping by Mr. Abbott on behalf of Sir Hugh Allan and Mr. McMullen. In producing them in compliance with the orders received from the Commission, I beg to state that I object to their being opened without the consent of Sir Hugh Allan. I think it my duty to make this objection, as they were placed in my possession for safe keeping. They are returned as they were placed in my hands as they were when I first received them. The superscription "Henry Starnes, Sir Hugh Allan, G. W. McMullen" was put on by myself; they were placed in my hands a day or two before Sir Hugh Allan's departure for England, to be left with me. There are three distinct parcels, one to Mr. McMullen, one to Sir Hugh Allan, and one addressed to myself. They were handed to me by Mr. Abbott on behalf of Sir Hugh Allan, Mr. McMullen was also present at the time I received them from Mr. Abbott.

I have no knowledge of what those papers contain.

I have no objection to the package being opened providing Sir Hugh Allan's consent is obtained.

(Hon. Mr. Abbott hereupon produced a written consent that the said package of papers be opened by the Commissioners.)

Question.—Have you any knowledge in relation to such negotiations as are described in the charges mentioned in the Commission in this matter, as being carried on between Sir Hugh Allan and Mr. McMullen for the purposes designated in this Commission?

Answer.—I have no personal knowledge.

Q.—Were you a member of an Election Committee in 1872, in conjunction with Mr. Boudry and Mr. Murphy?

A.—I was requested to go upon that Committee, but did not attend regularly.

I am aware that money was received for election purposes. I might state that I was requested by the late Sir George E. Cartier to act on the Committee, as he felt that the elections would be hotly contested and that he was aware that his opponents were well furnished with ample means, and it would be necessary to fight them with money. I objected, as I did not wish to take any part. He, however, felt that there was a desire to make the elections by means of railways, and he was determined to have nothing to do with that, as he wished to make his election upon his own merits, and it would be necessary for me to get friends to subscribe and to get as much money as we possibly could. I went round and got subscriptions. He then told me that Sir Hugh Allan would subscribe liberally, and I believe Sir Hugh Allan did subscribe very largely, but his subscription did not come exactly to my knowledge.

I cannot say how all the money came, but it was deposited with me, and by what means I do not exactly know. It was placed in the Bank of which I am President, and paid out by cheques.

This money was derived from other subscribers as well as from Sir Hugh Allan. The bulk of this money came from Sir Hugh Allan, I understood. Various parties subscribed in smaller or larger sums.

I have no original receipts which were given by the Election Committee. When the receipt was published in the Montreal newspapers, I was astonished, as I had forgotten all about it. I was surprised, for I had signed it, I suppose, in the hurry of the election; I might have signed more than one.

I know nothing about the two letters referred to in the newspapers in connection with the receipt. I have no knowledge as to where either of those letters now is.

CANADA.

The money was not paid upon any specific conditions contained in these letters. There was no condition as far as I know.

I signed this receipt inadvertently, and knew nothing at all about it till it was published in the newspapers.

I have no idea or knowledge in whose hands those letters now are.

I was not induced to give that receipt on account of any particular undertaking. I believe there were more than one receipt given. I have reason to believe there were.

I don't know what amount was derived from Sir Hugh Allan's subscription, except what passed through my hands, and I cannot say now what that amount was.

When I first joined the Committee, I understood it was to look after Sir George Cartier's election, but afterwards the Committee seemed to assume the control of elections outside of Montreal, to what extent I cannot say.

I don't know of any other information that would facilitate the object of this inquiry.

I cannot state exactly the amount I received for the support of the elections, but I think it was about sixty to seventy thousand dollars, which was raised by way of subscriptions and from Sir Hugh Allan. The envelope of the package having been removed by consent of the witness, the following endorsement was written on the inner parcel :—

"Within ten days after the end of the coming session of Parliament, the Hon. Henry Starnes is requested to deliver envelope No. 'one' to Sir Hugh Allan, and envelope No. 'two' to G. W. McMullen, unless objection be made by Sir Hugh Allan to his doing so, in which case he will open the envelope addressed to himself and act as instructed therein.

(Signed) "HUGH ALLAN,
"G. W. McMULLEN.

"Montreal, February 26, 1873."

I know the handwriting of Sir Hugh Allan, but not that of Mr. McMullen. The latter was present when the parcel was given me.

I have no objection now, seeing the consent from Sir Hugh Allan, to open the package. (The package was then opened by the witness and returned to the Commissioners.)

And on this twelfth day of September, 1873, the witness reappeared and made the following addition to his foregoing deposition. In my evidence I stated that the amount of money that passed through my hands was \$60,000 to \$70,000—on reference to the books of the bank I find it was \$66,357.

And further the deponent saith not, and this his deposition having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn taken on the fourth of September, 1873, }
and acknowledged on the 12th of said }
month and year.

(Signed) HY. STARNES.

(Signed) CHARLES DEWEY DAY.
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

Sir FRANCIS HINCKS, of the City of Montreal, who being duly sworn, deposeth and saith:

I presume that the best course will be to give a narrative of the circumstances beginning before the legislation. In fact it may be well that I should commence from the earliest stage of the proceedings in regard to the Pacific Railway. I believe the first person with whom I had any conversation that I recollect of on the subject of the Pacific

Railway was Mr. Cyril Graham, a gentleman who acted as Commissioner for the Hudson Bay Company, in the years 1870 and 1871.

On his return from the United States, he told me that he had been in communication with several influential gentlemen, and that he thought satisfactory arrangements could be made, by which great economy would be produced with regard to the construction of the Pacific Railway. That he believed the Americans would be prepared to abandon the Western section of the Northern Pacific Road, carrying it through Canadian territory, if the Canadians would abandon their Eastern Section and carry it through United States territory by the Sault Ste. Marie. I heard all that he said upon the subject, and I must say that it produced some impression upon my mind.

About the month of May, 1871, Sir John Rose sent me a copy of a letter which he had addressed Sir John A. Macdonald, in which he informed me, that persons in London had spoken to him very much in the same terms that I have mentioned that Mr. Graham had represented to me, and suggesting in the letter either that we should approach these gentlemen in the United States, or let them understand that they might approach us, and at the same time offering that if he could be of any service in London, that he would be happy to be so.

In consequence of these statements, I certainly formed a pretty strong idea that satisfactory arrangements could be made with capitalists in the United States.

The next circumstance that I would mention, was the arrival in Ottawa of a number of gentlemen of whom Mr. McMullen was one; Mr. Smith of Chicago, was a second; James Beaty, of Toronto a third; and Mr. Kersteman and Mr. Waddington, and I think there was another whose name I cannot recollect, but I think he was a Toronto gentleman.

They asked an interview with members of the Government. The only members in Ottawa at that time were Sir John A. Macdonald and myself. I think I was the person to whom they were first introduced, and Sir John A. Macdonald consented to give them an interview, which they had. We heard what they had to say; they produced a document signed by some six, seven or eight gentlemen of standing in the United States, and of known wealth. I forget their names now, but there was General Cass, Mr. Ogden was another, and I think Mr. Scott, of Philadelphia, was another. The date was in July, 1871, probably about from the tenth to the thirteenth of July.

They were told distinctly that it was not in the power of the Government to enter into any negotiations with them. I think that Mr. Smith and Mr. McMullen had an interview with me in my own room, and we had some little conversation but did not amount to anything. It was simply an understanding that it was impossible for us to enter into negotiations at all at that time. After they had returned to Toronto, I got a letter from a gentleman who had accompanied them there, and who I understood was their professional adviser at the time, and I had some correspondence with him. I refer to Mr. Beaty. In the course of that correspondence, he mentioned his intention of going to Montreal to induce Sir Hugh Allan to join the scheme. He had not at that time been spoken to. I wrote very discouragingly to Mr. Beaty in reply, simply on the ground that I did not see how it was possible to talk about a scheme which the Government had not come to any conclusion upon, as to what assistance they could give. I did not see that the matter was in such a stage as admitted of its being discussed at all. After that I saw Sir Hugh Allan in Montreal, but as I felt that the suggestion of his name came from Mr. Beaty entirely, writing with the sanction of Mr. McMullen, I therefore inferred that the suggestion of Sir Hugh Allan came from them, and as I had been the means of preventing their opening communication, I thought it was only fair to give him the list of names who were willing to engage in the building of the Pacific Railway.

That conversation with Sir Hugh Allan must, I think, have taken place about the beginning of August. I cannot recollect the day exactly, but I do recollect that I told him that Sir John A. Macdonald would be in town I think, either that evening or the next evening. Sir John was passing through to a watering place, and intended to go from the Ottawa boat to the Quebec boat without stopping in Montreal. Sir Hugh did see him. I was not present at the interview, but Sir Hugh told me that he had had a discouraging reply from Sir John, as he did not think the Government was in a position to enter into negotiations. I afterwards went to the Maritime Provinces, and in October Sir Hugh Allan came with these same gentlemen, Mr. McMullen and Mr. Smith having been in communication with him, with another proposition. At that time there was a considerable number of members of the Government present. I have seen Mr. McMullen's statements, and he gives the names of nine of these persons, and I presume he gives them correctly. On that occasion what passed was this: The gentlemen were introduced, Sir John A. Macdonald then asked Sir Hugh Allan whether he had a propo-

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sition to make to the Government. Sir Hugh Allan's reply was—"If I make a proposition are you prepared to enter into negotiations on the subject." Sir John answered that "he was not prepared to do so," and Sir Hugh Allan rejoined "Then I am not prepared to make any proposition." That was the whole conversation on the subject that took place at that interview. Sir Hugh Allan went shortly afterwards to England, and returned very early in December. When he returned I had a conversation with him. I must have been in Montreal in December, although I have no very special recollection of it.

Whenever we met, he was always talking of the Pacific Railway and inasmuch as a great number of conversations took place of this kind, I think I ought to state, with regard to evidence of this kind, that where two persons have different interests, and not in a position to understand what is passing in each other's mind, that very often there will be misunderstandings in regard to what passed at these conversations.

My desire was to be as reticent as possible. I had no proposition to make on the part of the Government. He, on the other hand, was most anxious to get the Government to agree to some proposition, so as to enable him to make progress with his arrangements. I say this, because I observe by letters which have been published, that it is alleged that I said something about advertising for tenders, with the view to avoid the Government incurring blame. Now, I have no doubt whatever that I did point out to Sir Hugh Allan that it was wholly impossible for the Government to come to any arrangement without the sanction of Parliament, and it is not improbable that I may have discussed the question about advertising for tenders, but I could scarcely have told him that we were determined to advertise for tenders, because no such determination was ever arrived at. Several conversations took place, and different persons will have different views. I may have suggested to advertise for tenders to find out whether there was any other person besides Sir Hugh Allan, who would come forward and undertake the building of the road. We, as a Government, had pledged ourselves to procure the construction of the Pacific Railway, and we had also determined to try to do it by the instrumentality of a Chartered Company.

We were anxious to find out what persons there were in the Dominion who would undertake the building of the railway, and upon what terms they would be willing to construct it. A number of unauthorized conversations took place with Sir Hugh Allan, but Sir Hugh knew perfectly well that these conversations were unauthorized, and that I was not speaking the sentiments of the Government. I simply stated what occurred to my own mind in the course of the conversations. Sir Hugh also knew perfectly well that my views with regard to the construction of the Pacific Railway harmonized a great deal more with his own than any other member of the Government. He knew that I was not opposed individually to the admission of American capitalists. He was well aware of that from the first. He was well aware that my views were in favour of coming to some arrangements with the Americans, as there would be economy in the postponement of a certain section to a later period so as to get one complete road through. We had a good many conversations, and he was also aware that some members of the Government were much opposed to admitting Americans into the scheme at all. All these conversations took place long before the Session of Parliament—long before any scheme was determined upon by the Government. They were had with a view to my getting all the information I could with regard to the best scheme for constructing the road.

The next circumstance I would advert to was the final arrangement that the Government came to with regard to the railway, which was submitted to Parliament. That scheme was decided upon by the Government, after the most careful consideration, without any conference with any outside persons at all, as to the extent of land and money they would give.

When Parliament met, I would say that during the whole of 1871, there was a great coolness in the principal parts of Ontario with regard to the scheme. No propositions were made such as those that emanated from Sir Hugh Allan. Nothing was done until just about the time of the meeting of Parliament. It then became evident that there would be a proposition made to Parliament for the chartering of more than one Company. The Government did not think it desirable to oppose any of the Charters but to let them take their own course, taking power to establish a separate Company if they should deem it necessary to do so. I may observe that during the Session of Parliament, it became more and more clear, and I was very reluctantly convinced, that it was absolutely necessary to exclude the Americans entirely from the Company, and from that time I may say this became the settled policy of the Government.

Question.—What date do you give to that?

Answer.—The meeting of Parliament.

Q.—Was that previous to the passing of the Act?

A.—During the time the Act was under consideration, and before the passing of the Act. It was then perfectly understood by all the members of the Government that the Americans would have to be excluded. After the Session of Parliament broke up, about the 12th or the 15th of June, I think, I went to the West and was engaged in the election, and I had no communication with Sir Hugh Allan for a great many weeks, probably months—I must have left Ottawa very early in July, and I was not in Montreal after the Session to the best of my recollection. I do not recollect seeing any one, and no arrangement of any kind was made by the Government about the Pacific Railway. Nothing was to be done until after the elections. The next action taken by the Government was, I think, in the month of September or October, 1872, after the elections were entirely over, when negotiations were commenced with a view of procuring an amalgamation of the two Companies—the Interoceanic and the Canadian Pacific—Sir Hugh on behalf of his Company wrote accepting the proposition of the Government, that the two Companies should be amalgamated on condition of their being united on fair terms, taking the principal gentlemen of both Companies. The Committee of the Interoceanic Company, of which Mr. Macpherson was Chairman, gave reasons why they could not join. One of their principal reasons was that Americans were still in the Company. That document was sent to Sir Hugh Allan for his Company to report upon it, and they did report upon it. About the 16th of October, I think, a Minute of Council was prepared, and that Minute gave a full and faithful narrative of everything connected with the Pacific Railway and the negotiations up to that time.

It was hoped that that Minute of Council, as it pledged the Government to prevent the Americans coming in, and stated that the Government would take adequate means of doing so, would induce the Interoceanic Company, as it was called, to join in this amalgamation. They still refused, however, and on their final refusal it became necessary for the Government to see what course they would have to take under the circumstances. Sir Hugh Allan had been very anxious, and my own opinion is that it would not have been an unreasonable demand after the refusal of the other Company to amalgamate, that the Charter should be given to the Company of which he was Chairman. However, the Government, upon a full consideration, determined to adopt a different course of proceeding. I have no doubt they were impressed a good deal by some views of Mr. Macpherson which he put forward very strongly in his correspondence with regard to amalgamation, that no persons from British Columbia were included in the scheme as put forth, and that Sir Hugh had stated that if British Columbia were introduced the maritime Provinces would also require a representation. Mr. Macpherson thought they should be represented, and I have no doubt these arguments had as great a weight with the other members of the Government as they had with me. Finally it was arranged that a Company should be incorporated containing thirteen members, divided into fair proportions between the different sections of the Dominion; from Ontario, five; from Quebec, four, and from each of the other Provinces, one, making thirteen in all. We gave a great deal of consideration to the whole scheme, and finally agreed upon names after a good deal of negotiation. Some names were suggested and withdrawn, others were spoken to but refused to act, and finally these names were agreed upon, certainly without the concurrence of Sir Hugh Allan in any way whatever. On the contrary, it is within my own knowledge that he objected to many of the names. The names were taken as fairly as possible from the Province of Ontario, one of them the Vice-Chairman of the Interoceanic Company, another who had no connection with either, but whom it was desirable that we should select, namely, Mr. Sandford Fleming, and there was only one name that had been originally in the Canada Pacific Company, a gentleman of large means and high standing, Mr. Donald McInnes, of Hamilton. He was the only one from Ontario at all connected with Sir Hugh Allan. From Quebec one name was taken against the most urgent remonstrances of Sir Hugh Allan, Mr. Hall, of Sherbrooke. The gentlemen had each of them the same interests as Sir Hugh Allan, who had only a thirteenth the same as the others. He had no controlling power in the Company whatever. He got no benefit of any kind throughout the whole course of these negotiations. I state most positively that it was impossible for any undertaking to be got up with a greater desire to promote the interests of the country than the Pacific Railway. Every detail was considered with the greatest possible care, and as far as my own individual opinion goes, although I had very little personally to do with the Charter, I think that the Company—I do not refer to Sir Hugh Allan particularly—were treated with less liberality than the Government ought to have shown them. My opinion all along was that it was an enterprise which to be successful, the parties going into it must be treated with the greatest possible liberality. I should say further that there was a stipulation made when these

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thirteen gentlemen were allowed to subscribe stock that they were to offer it with the exception of a small reservation to each, on the same terms to the public as they were to get it themselves, and offices were to be opened in Ontario, Quebec, and the other Provinces for the subscription of stock. I think that is as far as I can go with regard to the transaction altogether.

Q.—In your reference to July, 1871, have you stated all you recollect that passed then—your statement was that that was an unimportant interview which led to conversation and discussion, but no results?

A.—No results. We listened to what they had to say. I mentioned that an informal proposal was made, signed by a number of gentlemen. I cannot at this moment recollect the exact number of acres per mile that was proposed, but I recollect that it was not based upon a lump sum, but upon getting a bonus of \$15,000 a mile cash, and a certain number of miles on each side of the railway, which I do not exactly recollect, likely twenty.

Q.—Do you remember whether there was any expression of the wish or intention of the Government, that prominent Canadian names should be among the members of this Company; was there anything insisted upon of that kind?

A.—Nothing at the meeting of Sir John A. Macdonald and myself with these gentlemen. I think it is probable in private conversation that I may have said that it was unfortunate there were no Canadian names in the Company. It was my feeling at the time, and knowing that it was so, it is probable that I might have expressed it.

Q.—I understood you to say distinctly that anterior to the legislation on the subject in 1872, there were no negotiations between Sir Hugh Allan and Mr. McMullen, as representing the United States capitalists, for the purpose of putting this enterprise into the hands of an American Company, with Sir Hugh Allan at its head?

A.—Of course I was perfectly aware from the fact that Sir Hugh Allan came to Ottawa with these gentlemen, that he was corresponding with them, and that negotiations between him and them were going on, but I never saw their agreement, and never knew there was one until recently, when I saw among the papers published that there was some agreement which I have never seen. I have no knowledge of my own of an agreement between them, and simply knew of the fact that they were corresponding with one another.

Q.—Have you any reason to believe that any of the members of the Government were aware that negotiations were going on?

A.—I am sure that they did not know of any agreement, but they must have known just as I did, that Sir Hugh Allan was negotiating with them from the fact that Sir Hugh Allan came with them to Ottawa, but they knew of no agreement any more than I did, and they never gave any assent to it.

Q.—Have you in your possession any correspondence relating to this matter that you could lay before the Commission?

A.—I had a correspondence very shortly after these gentlemen visited Ottawa in July, 1871, with Mr. Beaty who attended them down and introduced them. It originated with Mr. Beaty. He wrote me a letter. I replied to that letter. He wrote me another, and I replied to that. I have no objection to lay it before the Commission, except simply, the objection of laying before you a confidential correspondence of that kind, but I don't apprehend that there is anything in it that any great objection can be taken to, and I hereby produce them to be fyled.

Q.—Do you mean to contradict, in unqualified terms, that an understanding was come to between the Government and Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the election of ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Pacific Railway?

A.—Yes; and I would add this, that of course I cannot positively swear with regard to anything that passed between individual members of the Government and Sir Hugh Allan, but I know of my own knowledge that everything connected with the Pacific Railway Charter came under my own observation, and I know that it was not given with any reference to that whatever.

I positively contradict it.

Q.—Do you know whether such an understanding was come to between these gentlemen—Mr. Abbott and Sir Hugh Allan, and any member of the Government?

A.—I know of none.

Q.—Were your relations with Sir Hugh Allan as intimate as those of the other members of the Government, or more or less?

A.—I should think about the same, very much about the same.

Q.—Have you any knowledge that any money was furnished by Sir Hugh Allan for the support of the elections?

A.—Well, I suppose I may say I have that knowledge now, but if I refer back to the period of the elections, No. I am now aware from circumstances I have heard, and which I suppose the whole public have got, that Sir Hugh Allan was a liberal contributor to the election fund. I am aware of this from circumstances that have come since to my knowledge.

Q.—Had you any knowledge of that at the time or before the elections?

A.—No. Not until long after the elections, a considerable time after.

Q.—Do you know for whose election any particular sums were contributed?

A.—I cannot say that I do. I have reason to believe that there was a very large amount contributed for the Montreal elections.

Q.—You state that Sir Hugh Allan was not to have any controlling influence in the Company; was it not understood that he was to be President?

A.—I do not know that it was so understood. Of course members who went in were perfectly free, I presume, to vote for whoever they pleased. I did not take any part in the communication that passed between any of these gentlemen, and I really do not know what passed. I don't know whether they were canvassed by any member of the Government on behalf of Sir Hugh Allan, but I would not be surprised if they were.

Q.—Can you state any certain sum of money that was contributed by Sir Hugh Allan?

A.—No. I cannot state of my own knowledge. I cannot give hearsay evidence.

Q.—Have you any knowledge that any sum of money was offered to any member of the Government for the purpose of influencing him in connection with the Pacific Railway?

A.—I am perfectly convinced there was nothing of the kind.

Q.—Or any other inducement or advantage?

A.—None.

This may be a proper time to explain a circumstance which has been referred to in the papers, which seems to imply that I desired some inducement of some kind. Reference was made to my having stipulated for a situation on the Pacific Railway for one of my sons. Now I desire to explain exactly what passed. When I wrote my letter very hastily, I at the moment really had forgotten the circumstance which made very little impression upon my mind, but I afterwards distinctly recollected it. My youngest came in October, 1871, to pay a visit to his friends. He then held an office in British Guiana, and came here on leave of absence. I was anxious to keep him in Canada, and to establish him in business. Sometime during the fall of 1871, and while Sir Hugh Allan was absent from the country, a friend in Montreal suggested to me the idea of purchasing out a forwarding business, which was likely to become vacant in consequence of the death of a gentleman, who died in the latter part of November, 1871, and it was supposed that his business after his death would be disposed of. This matter had been brought under my consideration, and I took the opportunity of Sir Hugh Allan's being in Ottawa, to consult him on the subject. He was on a visit for three or four days at Rideau Hall, in January, eighteen hundred and seventy-two (1872), after his return from England. The cause of my having any conversation with him, was simply to ask his advice with regard to this business, as I considered him more competent to give an opinion than any one that I knew of. He strongly advised me to have nothing to do with it, and at the end of the conversation, I simply said, If you hear of any opening for my son, I would be glad if you would bear him in mind. He made the remark that when the Pacific Railway is started, there will be plenty of opportunities, and so little importance did I attach to the conversation that I never mentioned it to my son, and it never crossed Sir Hugh Allan's mind or mine that there was anything corrupt one way or the other, with reference to the conversation. If it was wrong at all, I am alone responsible for it, for no other member of the Government knew anything about it, nor did I attach importance to it. Of course I have seen Mr. McMullen's narrative, and if there is anything I have not noticed, I would like to have an opportunity of adding to this statement.

I say most distinctly that no such conversation was had with me that a round sum of money down would be preferred by me at my time of life. I swear most positively that no such conversation ever took place. No such thing was ever mentioned by me to Sir Hugh Allan or by him to me. There is a statement that I said something of Sir George Cartier's jealousy with regard to the Grand Trunk to the Pacific. Mr. McMullen thought I had a conversation to that effect with him. I can only say that I have no recollection of any such conversation. I don't think that it is at all likely that I had

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spoken to him about Sir George Cartier's views on the subject, but it is quite correct to say that Sir George was very strongly opposed to the Americans having any interest in the scheme.

Most unquestionably the Americans never received any pledges of any kind or description, as stated by Mr. McMullen.

Q.—Did you not mention a Memorandum, of which you had taken a copy, given you by the Americans?

A.—I took a copy of the names, but not of the Memorandum, and these I handed to Sir Hugh Allan.

There was no money received or paid by the Government for or in consideration of giving the contract.

There is mention made in Mr. McMullen's letter that I received a specific sum of \$4,800 from Sir Hugh Allan. I deny this in the most positive terms. I received no sum of money whatever.

Q.—By Sir John A. Macdonald through the Chairman.

Can you state when the elections commenced generally, and when they ended?

A.—My impression is that they commenced about 15th July, or perhaps the beginning of July, and I should say from memory that they ended about the middle of August.

Q.—Up to the time of the return of the writs of the elections which took place in September, was there any policy suggested to the Government, or before the attempt of the amalgamation of the two Companies?

A.—None.

Q.—During all that period was it or was it not understood that a strenuous attempt should be made to effect an amalgamation of the two Companies?

A.—Certainly, and much later I had reason to believe that there was good ground to expect that an amalgamation would take place.

During the whole period the elections were going on, and until long after, perhaps as late as the beginning of October this was the case.

Q.—In October, were or were not the efforts of the Government renewed to effect an amalgamation of the two Companies?

A.—Yes.

Q.—Was there any suggestion from any person to the Government that you are aware of, or was it the policy of the Government to issue a Charter under the Government Act till after the failure of all attempts at amalgamation?

A.—Certainly not.

Q.—Then the Charter which was issued and is now in existence is based on a policy which was only adopted by the Government in October or November after the attempt to amalgamate had proved a failure?

A.—Yes, I should be inclined even to put it to a later period. The arrangement of the new Company took a considerable time. I presume that it was about the latter end of November that the policy of the Government to work by means of a Company of that kind was decided upon.

And further, for the present, deponent saith not.

And on this fifth day of September, 1873, reappeared the said witness who desires to give some explanation of his answer to the question on a preceding page of his deposition, and gives the following explanation:

I wish to answer this question at greater length. I never heard of any suggestion to the Government to issue a Charter under the General Act, and the Government never contemplated issuing such a Charter till they became satisfied that it was impossible to effect an amalgamation between the rival Companies.

The correspondence alluded to in my foregoing deposition is in the words following:—

LETTER MARKED "B."

(Confidential.)

DEAR SIR,

Toronto, July 17, 1871.

I have been thinking over the suggestion about the introduction of some of our Canadian capitalists into the Canadian Pacific Railway Company, and thought it proper to write to you for the purpose of having your views upon the matter, and especially to have the names you would suggest. Our American friends have no objection; on the contrary, they are anxious to meet the reasonable views of yourself or the Government on that point. You will oblige, therefore, by naming such persons as you think proper to have associated in the matter, either from personal or political considerations. Those who have already done anything in the way of a formation of a company, or with that object in view, we would be specially glad to deal with. We have authority, to a certain

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extent, to distribute some shares in the concern, which if they would not be of any profit, would not be any loss to the holders, and no money is required. If you could make it convenient to write by return mail, it would be convenient that we might consult with one of the American gentlemen now here.

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Yours truly,
(Signed) JAMES BEATY, jun.

Sir Francis Hincks, Ottawa, Ont.

LETTER MARKED "C."

(Confidential.)

MY DEAR SIR,

Ottawa, 20th July, 1871.

I have been almost constantly confined to the house since I received your letter of the seventeenth, and having at once sent you a telegram, that would enable you to assure your friends that no such arrangement as you suggested would be practicable, I put off writing until I could do so more satisfactorily. It strikes me that you fail to appreciate the suggestion relative to Canadians being induced to interest themselves in the projected railway to the Pacific. I am inclined to believe that some Americans of capital and influence might be induced to take hold of the scheme, but in my judgment they will find it expedient, if not absolutely necessary, to associate themselves with Canadians of equal position and means, by whose instrumentality this very gigantic scheme can be brought favourably before British capitalists. Any scheme requiring large aid from Government will be viewed with great jealousy by the public. It is not the business of the Government to name parties nor to suggest to anyone that they would like particular persons brought into a scheme. The Government have to consider propositions brought before it on their merits, and will be expected, I think, to see that the Canadian promoters of any scheme are not only able, but willing to put money into it—a most indispensable condition, which you seem not to attach any importance to.

I fear that you are going altogether too fast when you refer to an authority to distribute shares in a Company which has not even been formed, and the projectors of which are not yet in a position to take the most initiatory step. I inferred from what I heard from the American gentlemen who lately visited Ottawa, that they had come under a complete misapprehension of facts, and that they believed that Mr. Waddington and Mr. Kersteman had had some previous understanding with the Government. You may rely on it that one of the main difficulties in the present scheme is, that Canada is, as it were, represented by Mr. Kersteman chiefly, who is looked on by those with whom I have conversed, as a "man of straw." It is clear that men of this type would only be taken hold of by capitalists on the ground of their having influence of some kind, for which they must be paid, and if paid, the payment must come from the public chest eventually. The American gentlemen who have means expect, and have a right to expect, a good contract, but it is clear that if they have to subsidize Canadians, their demands will be higher. A great mistake has, I fear, been already made, and your letter induces me to think that you contemplate proceeding further in a wrong direction. The first step will be for the Government to determine what aid they will give in land and money, and things would have gone much smoother if that had been decided before any appeal had been made to capitalists on the other side. When terms have been agreed to, then the names to be inserted in a Charter will become a matter of consideration and negotiation. This is the view which I take, but you will understand that I am merely giving you my own ideas and without consultation. I know, however, that there is great anxiety that this work should get into first-rate hands.

Yours faithfully,
(Signed) F. HINCKS.

LETTER MARKED "D."

(Confidential.)

DEAR SIR,

Toronto, 24th July, 1871.

I am much obliged to you for your last letter and the observations you make therein. I had a keen appreciation of the proprieties and necessities of the case when I understood the matter. You must notice, however, that I never saw Mr. Waddington until I met him on my way to Ottawa; and I believe I had only spoken to Mr. Kersteman about two or three times before that Wednesday when I started for Ottawa upon a notice received two hours before in the Court House that I was expected to go. I learned pretty nearly all I knew on my way down. I had just one conversation that amounted to anything before I left, with Mr. K.

I then perceived that the whole matter was disorganized and required complete

CANADA.

reconstruction as far as Canada was concerned, but I could not then back out. I was up to that point only introduced as a lawyer, and of course had to attend to my clients' behests. I could not do even what I thought prudent at Ottawa. The very suggestions made pressed themselves upon my attention from the very beginning; but how to arrange them and how to meet obstacles of the present position I could not then determine. When I returned home with the knowledge I had made, I made up my mind both from the standpoint of public policy and the legal standpoint, that no Senator or Member of Parliament could be in the Company, much less be on the Board as a Director. This settled one question directly, at the same time it opened up new difficulties. The field is very limited for selection when you exclude the Senators and Members of Parliament, and where to appeal was another grave question. Of course we do not *now* seriously contemplate to have on the Board either Mr. W. or Mr. K., although they have both done a kind of service that must be acknowledged. My own view was, and I think it is or will be your view, that names must be presented to the Canadian and general public that will at the least have the appearance of not only being willing *but able* to command the money or capital necessary to build the road, and which will meet with the approval of Parliament. These names are few and far between in Canada.

Taking the cue I received, I at once upon my return entered into negotiation with Mr. Laidlaw, who I now am fully aware has been to some extent in communication with gentlemen in Montreal, such as Allan, Stephen, and King, to the same end that we have in view, although nothing substantial has been done. The probabilities are, I will go with him to Montreal before the end of a week or two on this subject. What it may result in I cannot tell. It must not be imagined, however, that the present organization, although immatured and incomplete, is to be despised. I assure you that it is not either in this country or the United States. We do not mean to make any fuss about subsidizing Canadians. Canadians will be quite willing to come into any undertaking that they think will pay, and we do not intend, whatever may be the end, to go into anything else. We have room for others, and mean to get them, and there are shares still open, and we do not expect men to associate in an important enterprise of this sort without substantial inducements. They will not do it for amusement, that I have learned in my short life. As to such men as Waddington and Kersteman, being representative men, it is not thought of. They will, however, put themselves forward, and no one that I know of can prevent them; but all that will, if it is not already, be satisfactorily arranged. There are a few men to be thought of in this connection in Ontario, Gzowski, Laidlaw, Manning, McGivern, and Adam Brown, of Hamilton, Wilson, of Picton, are presentable. Then in Quebec, Hugh Allan, Geo. Stephen, King, of Bank of Montreal, and one or two more that some one else could name would be all that on first sight can lay claim to any notoriety or availability in this direction. Many business men might be suggested both here and there if time permitted, but these are prominent, yet after all they are very few; and of others how many would be willing to take stock with the Grand Trunk before their eyes. Even some of these names are not the most popular in railroad connection. As the matter now stands, I am the representative of the American gentlemen who are interesting themselves in the road. And except for the waywardness of Mr. Waddington, would be the only medium of communication for the Canada gentlemen. I myself am of the opinion that there is plenty of time before the surveys are complete or before Parliament sits to consider all these questions; still such a Company as will be necessary for this purpose to accomplish a work so extensive and important cannot be arranged in a month even; so time had better be taken by the forelock. There is no doubt very crude notions have been entertained about this matter, but I think they are now pretty well dismissed. I am satisfied, however, unless the Government grants are very substantial, few will be inclined to engage in an enterprise of such magnitude.

I remain, yours very truly,

Sir Francis Hincks, Ottawa, Ont.

(Signed) JAMES BEATY, jun.

LETTER MARKED "E."

(*Confidential.*)

MY DEAR SIR,

Ottawa, 26th July, 1871.

I have received your letter of the 24th inst. I note that you had yourself arrived at the conclusion, before coming to Ottawa, that "the whole matter was disorganized and required complete reconstruction." You mention your intention of proceeding with Mr. Laidlaw to Montreal to see certain parties. Mr. Laidlaw is represented to be a shrewd business man, and yet from your account he is about to see persons regarding a scheme the advantages of which neither he nor you can have the slightest idea of; at least I certainly am wholly ignorant at this moment what aid in land and money the

Government will recommend to Parliament to grant. How anyone under such circumstances can look to men of business about being concerned in a scheme, I am at a loss to comprehend, and I am persuaded that owing to Mr. Kersteman's premature and most injudicious proceedings, the greatest injury has been done to a great undertaking.

Believe me, truly yours,

James Beaty, jun.

(Signed) F. HINCKS.

And further deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the fourth of
September, and taken in part on the
fifth September, eighteen hundred
and seventy-three, and acknowledged
on the sixth instant.

(Signed) F. HINCKS.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

ANDREW ALLAN, of the City of Montreal, who being duly sworn, deposeth and saith:

I know Mr. McMullen by sight, but I have never spoken to him. I have heard the charge read, and I have no knowledge of any such agreement as mentioned in it having been made by Sir Hugh Allan and Mr. McMullen as representing certain American capitalists. I have no knowledge of the subject at all. I have no knowledge that any agreement was ever made of the kind between Sir Hugh Allan and G. W. McMullen relating to the furnishing of funds necessary for the construction of the Pacific Railway, George W. McMullen acting for certain United States capitalists.

Q.—Have you any knowledge relating to this matter of the Pacific Railway and the charges that have been read to you?

A.—I have no knowledge of any kind relating to the matter.

Q.—Have you any knowledge that any money was advanced by Sir Hugh Allan to promote the elections?

A.—I have not.

I know nothing personally of the matter at all. The only thing I know is from what I have learned from reading the newspapers.

I am a brother of Sir Hugh Allan, and his partner in business.

Q.—By Sir John A. Macdonald through the Chairman—

Have you been in the habit of discussing these matters with your brother?

A.—I was not. We never spoke about it at all until these matters were published in the newspapers.

And further deponent saith not, and this his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fourth day of September,
and acknowledged on the eleventh of September,
ber, eighteen hundred and seventy-three.

(Signed) ANDREW ALLAN.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

CANADA.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

E. L. DE BELLEFEUILLE, of the City of Montreal, Advocate, who being duly sworn, deposeth and saith:

I have heard the charge read.

Q.—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. McMullen, acting for certain American capitalists, with a view to furnishing funds by the Americans, for the building of the Pacific Railway?

A.—I have none. Not the least.

Q.—Have you any knowledge of any negotiations whatever between Sir Hugh Allan and Mr. McMullen?

A.—I know nothing personally, except what appeared in the public newspapers.

I knew nothing of it before it appeared in the public prints.

Q.—Did you take a part in the late elections of last summer?

A.—I did in some counties, but not in Montreal East.

Q.—Are you aware that any sums of money were supplied from any source whatever, for the purpose of carrying on the elections in Lower Canada?

A.—I know that Sir Hugh Allan did advance some money for the elections, but don't know what amount. That advance was made some time in August I think.

Q.—To whom was the money paid?

The witness objects to this question, inasmuch as he does not see any relation between the question and the accusation which the Commission is instructed to inquire into.

Objection over-ruled.

A.—I know of only one sum of money which was paid, and only one person who received money, namely—Louis Beaubien, of Hochelaga. It was paid to him for the purposes of his election.

Q.—Do you know of any money that was paid for the promotion of Sir George Cartier's election?

A.—I do not know it personally, but I was not a member of the Committee of Sir George Cartier.

Q.—Do you know what amount was advanced to Mr. Louis Beaubien for his election?

A.—He got a cheque for seven thousand dollars from Sir Hugh Allan. I have no personal knowledge of any further sums being advanced by Sir Hugh Allan. This sum advanced to Louis Beaubien was made in September, I think, and I can now remember that he was paid this amount after he was elected. I am positive of that now.

Q.—Why was it given to him then?

A.—To pay the expenses made in his election, and I now well remember Mr. Beaubien gave his note for it. I think he had to refund it. I don't know what delay he would have given him to pay it.

I could not say from what source this money was derived, I only saw the cheque of Sir Hugh Allan. I don't know where the money came from.

Q.—Have you any knowledge whether this money was advanced at the request of any member of the Government?

A.—No; I think that I was the first person and only one to ask Sir Hugh Allan to assist Mr. Beaubien.

Q.—Have you any documents in your possession which would throw light on the subject of the inquiry before the Commission?

A.—I don't see that I have. I was acting as Secretary of the Canada Pacific Railway, and the documents I have are documents regularly filed.

A good deal of correspondence took place between the Canada Pacific Company and the Interoceanic Company in 1872, which is in my possession as guardian. They may have some bearing on the accusation in relation to its first part as regards its connection

with the Americans. But so far as the Pacific Railway Company is concerned, I deny most positively any such connection.

I have not got the said correspondence with me, but all the documents contained in it must be in the hands of the Government and have been laid before Parliament.

To Mr. Abbott, through the Chairman.

I was Secretary of the Canada Pacific, of which Company Sir Hugh Allan was President, and under the instruction of the President and the Board, I published an advertisement in the newspapers in all the principal towns in the Dominion stating that stock books had been opened and anybody who wished to subscribe could go to such places and do so. The public were invited to subscribe for whatever amounts they would desire to take in the stock of the Canada Pacific Company. That was during the summer of 1872. I was named Secretary in June. I attended to that business in July, 1872. These books were opened in the towns of the different Provinces of the Dominion. The advertisement was published and the books were sent by me, and they remained there for I think thirty days to enable any person desirous of subscribing in them to do so within the delay mentioned.

The books were returned to me with a certificate of the agents, stating if shares had been subscribed and to what amount.

The whole stock was thrown open to the public. There was no reservation of the stock. Sir Hugh Allan is President of the Montreal Northern Colonization Railway Company, and Mr. Louis Beaubien is its Vice-President; and I know that for two and a-half or three years they were very intimately connected in order to ensure the success of that railway; and it may be, so far as I know, in consequence or in consideration of the friendship existing and such relations between them—Mr. Beaubien and Sir Hugh—that Sir Hugh made this loan of money to help Mr. Beaubien in his election of 1872. When I asked the money from Sir Hugh Allan, I did not in the least mention any interests of Sir Hugh Allan or Mr. Beaubien in the Pacific Railway. I only considered Sir Hugh as a friend of Mr. Beaubien, and I thought that, like some others of his friends, Sir Hugh Allan would help Mr. Beaubien in the election he had made, and which was then completed.

I have no papers on this matter except those which came into my hands as Secretary, except a few letters that can have no bearing on this subject at all.

I have had no correspondence whatever with the Americans.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken before me on the fourth of
September, and acknowledged on the
ninth of September, one thousand
eight hundred and seventy-three.

(Signed) E. LEF. DE BELLEFEUILLE.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

VICTOR HUDON, ESQUIRE, of the City of Montreal, Merchant, who being duly sworn, deposeth and saith:

I know Sir Hugh Allan. I do not know Mr. McMullen.

I have no personal knowledge of any arrangement between Sir Hugh Allan and G. W. McMullen, having for object the construction of the Canadian Pacific Railway.

CANADA.

I took some interest in the elections in Montreal in 1872. I was one of the members of Sir George Cartier's Committee for Montreal East.

I am aware that there were sums of money subscribed to carry on that election. Ordinarily in elections we have a Committee and friends who subscribe. I do not know the names of the persons who subscribed at this election. I heard that Sir Hugh Allan was to subscribe. I do not know how much he did subscribe. I know some of the members of the Committee; I think all of them subscribed something. A short time before the election I learned that Sir Hugh Allan had subscribed.

Sir Hugh Allan was not a member of the Committee. I do not know the amount subscribed by Sir Hugh Allan, nor by any other members of the Committee.

I have no knowledge of anyone having subscribed \$20,000 during the elections. I have not in my possession any letter or document bearing upon this inquiry.

I have knowledge of the subject of this inquiry only by what I have seen in the newspapers, I have no personal knowledge on the subject. I have stated all I know in reference to the sums of money subscribed for the elections.

And further the deponent saith not, and this his deposition having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }
fifth of September, 1873.

(Signed) V. HUDON.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the HON. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

LOUIS BEAUBIEN, of the City of Montreal, a Member of the Honourable The House of Commons of Canada, who being duly sworn, depose and saith:

I am a member of the House of Commons. I am Vice-President of the Montreal Northern Colonization Railway. I hold no situation or directorship in the Canadian Pacific Railway. I have heard read the charges which the Commission has been appointed to inquire into.

I know Sir Hugh Allan, and have met Mr. McMullen.

Q.—Are you aware of any agreement or negotiation being made between Sir Hugh Allan and Mr. McMullen relating to the matter expressed in these charges?

A.—I am not aware of any.

Q.—Do you know of any agreement made by Sir Hugh Allan with Mr. McMullen acting for United States capitalists to furnish funds necessary for the construction of the Pacific Railway?

A.—No, I have no knowledge of any such transaction. I was one of the Provisional Directors of the Canada Pacific Company, but I only joined when these things are supposed to have taken place, and have no knowledge of them whatever.

Q.—Was your connection with the Canada Pacific Railway Company subsequent to the period referred to and before the legislation of last Session?

A.—My name was included among the Provisional Directors when that Company was incorporated, that was the first time I was connected with it.

The period I refer to was the Session before the last. I was not a member of the Dominion Parliament then.

Q.—Are you aware of parties who were expected to take up the stock of the Canada Pacific Company?

A.—No, I was not aware.

Q.—Do you know whether any American capitalists were expected to furnish money for the purposes of the railway?

A.—No, I do not.

Q.—Have you ever, or had you at that time seen any list made out by Sir Hugh Allan as to the distribution of stock?

A.—No, I had not.

Q.—Do I understand you to say positively that you know nothing at all relating to this matter expressed in the first clause of the charge which you have just heard read to you?

A.—Nothing at all.

Q.—I see your name signed to a Memorandum of the Canada Pacific Railway Company, upon a statement submitted by the InterOceanic Railway Company to the Government of Canada, along with the names of Sir Hugh Allan and J. J. C. Abbott. Were you a party to a Memorandum of that kind?

A.—I was. It is signed "Hugh Allan," "J. J. C. Abbott," "Louis Beaubien."

Q.—Had you any knowledge of any negotiations concerning the amalgamation of these two Companies?

A.—All I know is what is contained in the Blue Book, entitled, "Charter for the construction of the Pacific Railway, with papers and correspondence." That is all the proposal that I ever heard was made.

Q.—Did you take any personal part in any of the negotiations?

A.—I signed all these documents after being named by the Company on its Committee, which was termed the Executive Committee.

Q.—Do I understand you to say that you signed this document, and took an active part in the negotiations which took place between the Canada Pacific Company and the InterOceanic Company?

A.—I took all the part referred to by these documents.

Q.—Had you any interviews on the subject of the amalgamation?

A.—No; I had none that I remember of.

Q.—Have you any knowledge of the agreement or understanding described in the charge between the persons connected with the railway and the Government?

A.—None.

Q.—Have you any knowledge of any money having been advanced by any persons connected with the railway in Quebec, for the promotion of the elections?

A.—I have reason to believe that Sir Hugh Allan advanced a certain amount of money to be used in the elections.

Q.—What amount?

A.—I cannot say.

Q.—Was it a large sum?

A.—I have no means whatever of judging.

Q.—Do you know of any specific case in which money was advanced by Sir Hugh Allan, for the purpose of aiding the election of Ministers and their supporters at the then ensuing elections?

A.—Not Ministers. I may mention this fact, a friend of mine and a supporter of the Government, some time before the elections wanted me to get up subscriptions for his election, to a small amount. I went to Sir Hugh Allan, and he consented to help that gentleman. The Government never knew of it, and the Government don't know of it now at this present moment. As this was a private matter between Sir Hugh Allan and that gentleman—for I state under oath that the Government know nothing about it—I would not like to give the name of the gentleman. The amount he received was one thousand dollars. The gentleman who advanced the money was Sir Hugh Allan.

In my own case, Sir Hugh Allan was called upon by one of my friends about three weeks after my election. My election took place on the 30th of August, and the money I am going to mention was obtained about the middle of September. My friends called upon Sir Hugh Allan, and told him that my expenses had been a little heavy, and asked him to advance money to help me in paying back the expenses of the election, which were borne by myself. He consented to do so. I received the money and gave him a receipt for it. In that receipt it is not stated that the Government would reimburse Sir Hugh for the amount of it. I could not find a copy of that receipt, but I saw it a month ago when it was mentioned in McMullen's letter. This morning I was taking it down as well as I could remember in my memorandum book. If there is any change in the wording of the receipt, I can swear it is not a material change.

The receipt is as follows:—

"Received from Sir Hugh Allan the sum of seven thousand dollars, which I agree to repay him within one year, if he be not sooner reimbursed, along with other sums advanced by him in aid of the elections."

CANADA.

This note is due now. The amount of the note was obtained at the solicitation of my friend. The Government never knew of this arrangement at all.

I will correct this answer in so far as I have reason to believe that Sir Hugh Allan subscribed money to the Central Committee Fund of Montreal, and I was informed that Sir Hugh Allan stipulated that, if necessary, I would be helped out of the fund. I understood, also, that Sir George Etienne Cartier was opposed to any of the funds being used for that purpose; but I believe that gentlemen on the Committee, notwithstanding this, gave without Sir George's knowledge some money to my friends. I will state, also, that I know that Sir Hugh Allan helped two candidates who were believed to be friendly to the Administration. As the Government did not know that they were assisted, and as neither of them are members of the House, and it being a private matter between them and Sir Hugh, I did not think it necessary to mention it on Saturday in my deposition. I don't think it fair to these two gentlemen to bring their names before the public.

I don't know of any other sum advanced by Sir Hugh Allan, or by any other person on his behalf. I could not say how much was subscribed for the Montreal elections; but I think there was a list passed round, and subscriptions asked from different gentlemen.

I don't know anything further that took place. Sir George E. Cartier's Committee was rather against me. I was not on the Committee; but my opponent, Mr. Hudon, was President of it, which was sufficient to keep me off.

Q.—Did you apply to Sir Hugh Allan yourself to aid you in the payment of your election expenses?

A.—I suppose I must have said a word for myself at that time.

Q.—Did you expect before, or at the time of your election, that this money was to be forthcoming from Sir Hugh Allan?

A.—No, I expected to be elected by acclamation and, if it had not been for Sir George Cartier, I would have been elected by acclamation.

Q.—Why did you apply to Sir Hugh Allan for this money instead of some other wealthy gentlemen?

A.—Sir Hugh Allan was the person more likely than anybody else.

Q.—Had you been in particular relations or in business relation with Sir Hugh Allan?

A.—I was considered as one of the most active parties in the railway, and have been a Director in it from the very beginning, and was one of those who assisted to induce Sir Hugh Allan to come into that Company, and since then I have been in very close relations with him. When I speak above of the railway, I mean the Montreal Northern Colonization Railway. Sir Hugh Allan is President of that road, and I have been Vice-President of it ever since the beginning.

To Sir John A. Macdonald.

Q.—Was Mr. Victor Hudon the Government candidate for the county of Hochelaga?

A.—If being Sir George Cartier's candidate was being the Government candidate, certainly he was the Government candidate. I don't say Sir George was opposed to my election at the latter end, but if Mr. Victor Hudon came forward at all, it was due to the encouragement that Sir George gave him, and I learned that Sir George Cartier advised his friends to vote for Mr. Hudon.

I know that the gentlemen in the office of Sir George Cartier voted for Mr. Hudon.

I made the application for the loan above referred to, to help me to pay the expenses of my election. I did not ask for this loan as a friend of the Government, but simply on account of Sir Hugh Allan being a friend of mine. It was Mr. E. L. De Bellefeuille that got the loan for me.

That sum had never been promised to me before, and I had never expected to get that loan.

Q.—Had Sir George Cartier any knowledge or intimation that you were going to ask for that money before you got it?

A.—No; I suppose when I got it he knew. I suppose Sir Hugh Allan likely told him afterwards, but Sir George may not have known anything about it.

And further, for the present, the deponent saith not.

And on this eighth day of September, 1873, the said witness reappeared and made the following alterations and additions to the foregoing deposition, namely: I wish to remove the words in a former part of my deposition, "so I also went to different friends."

I have been reminded this morning that Mr. Victor Hudon was not President of Sir George E. Cartier's Election Committee, as stated by me in my deposition.

I gave the receipt referred to by me to Sir Hugh Allan. I gave it to him in the city of Montreal. I think it was in his own office.

In my evidence I stated that I saw the receipt about a month ago. I never saw the

original of the receipt since I gave it. It was not the receipt that was signed that I kept, it was the *project* or draft which was not signed, as there were some corrections to be made in the draft. I made a copy of it, and signed this copy and delivered it to Sir Hugh Allan. I have never seen the receipt I signed since I delivered it to Sir Hugh. I saw the draft that I kept the next day after Mr. McMullen's letter appeared in the papers. I think I can find it. The receipt was not written in Sir Hugh Allan's office. It was written in Mr. Abbott's office. It was written on ordinary foolscap paper. For all I can say, that document is in the possession of Sir Hugh Allan at present.

I consider that receipt to be a note. I think I can produce the drafts.

Q.—You say that in this receipt which you have given from memory, “that unless the “money was otherwise reimbursed,” what do you mean by these terms? from whom was it expected to be reimbursed?

A.—I have no means at all of knowing where he expected to be refunded.

Q.—In making use of this expression from what source did you think this reimbursement to come?

A.—I had no idea at all, and my opinion is that Sir Hugh Allan himself did not know where it would come from. Many a time he said that he did not know that he would be otherwise reimbursed. Sir Hugh told me that all the money he was giving in support of the elections he thought would be a dead loss to him. I suppose he expected to be reimbursed from the profits of the enterprise.

Q.—What meaning did you attach to the word “reimbursed” in that respect?

A.—I expected that the friends of the Government would subscribe and would help me.

Q.—Was there any funds provided?

A.—There was a general election fund that had been established.

I had not in my mind then any supposed arrangement between the Government and Sir Hugh Allan. I never knew of any arrangement whatever, and Sir Hugh Allan never told me that there was.

The Commission desires the witness to preserve the draft of the receipt referred to if he can find it, and enjoins him also in that event to forward it to the Commission.

I wish to strike out the following words from my foregoing deposition: “Many a time “he said that he did not know that he would be otherwise reimbursed.”—Sir Hugh told me several times that all the money he was giving in support of the elections he thought would be a dead loss to him.

And further deponent saith not, and this deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the sixth of September, 1873, and remainder taken and the whole acknowledged before us this eighth day of September of said year. } (Signed) LOUIS BEAUBIEN.

(Signed) CHARLES DEWEY DAY,
Chairman.
A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

NORMAN WILLIAM BETHUNE of the City of Ottawa, Telegraph Manager, who being duly sworn, deposeth and saith:

I reside in Ottawa. I am a manager of the Montreal Telegraph Company.

Q.—Have you in your possession the original of the telegram dated at Toronto, August 26th, 1872, addressed to the Honourable J. J. C. Abbott, Ste. Annes, and signed John A. Macdonald?

CANADA.

A.—I have not.

Q.—Have you the original of a telegram dated Montreal, 26th August, 1872, directed to Sir John A. Macdonald at Toronto, and signed J. J. C. Abbott?

A.—I have not.

Q.—Have you in your possession any telegram signed by either of these parties, Sir John A. Macdonald, or Hon. J. J. C. Abbott, between the first of August and the end of that month?

A.—None that I am aware of.

Q.—Have you searched for anything of the kind?

A.—I have not made search, but I caused the books of the Company to be examined by the clerks, and they found no messages between Sir John A. Macdonald and Sir Hugh Allan or Mr. J. J. C. Abbott, from the first to the thirty-first of August.

The Commissioners desire to have fuller information on the subject, and will require you to examine the books of the Company a month further back and a month afterwards, and would desire that you should examine them yourself, that you may be able to state under oath whether there are any such messages, and what they are.

A.—All original messages previous to the first of August, 1872, are not now in existence, the rule of the Company was that messages should be kept for one year and then destroyed. The present rule is that messages shall be kept for six months and then destroyed. I think it probable that none of those messages are now in existence, as it is the rule of the Company to have them destroyed.

Q.—In whose hands would messages be in Toronto and Montreal?

A.—In Toronto they would be in Mr. Harvey P. Dwight's hands, in Montreal they would be in Mr. James Daker's hands. It is impossible to produce the originals of any telegrams passing through the Ottawa office anterior to the first August, 1872, but we have an entry of these telegrams in the books.

Q.—Can you not examine the books a month previous to August and a month afterwards?

A.—Certainly.

The books of the Company contain no copies of telegrams, but only a copy of the address and signature of parties.

And further, for the present, deponent saith not;

And on this eighth day of September, reappeared the said witness and continued his deposition as follows:—

Q.—Have you examined the books of the Telegraph Company in your office?

A.—I have found it impossible to examine them in the period allotted to me. I find further by the books that Sir John A. Macdonald was absent from Ottawa for a large portion of the time named within which the telegrams referred to are said to have passed.

I have examined the books from first July up to sixth July and for the whole month of September.

Q.—Have the books been examined for the month of August?

A.—They have been examined by my clerks, and I find that Sir John A. Macdonald was not in Ottawa during the month of August, and therefore no telegrams could have been left in the Ottawa office as being sent or received by him during that time.

Q.—Have you any original telegrams in your office received during August or July, 1872, between Sir John A. Macdonald and Mr. Abbott?

A.—No; I have no such originals in my possession.

And further deponent saith not, and this his deposition being read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the sixth day of
 September, 1873, and remainder
 taken on the eighth day of September,
 and the whole acknowledged on the
 ninth of September of said year.

(Signed)

(Signed) N. W. BETHUNE.

CHARLES DEWEY DAY,
 Chairman.
 A. POLETTE,
 JAMES ROBERT GOWAN,
 Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On the sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable DAVID L. MACPIHERSON, of the City of Toronto, Senator, who being duly sworn, deposeth and saith :

I am acquainted with Sir Hugh Allan ; I know Mr. McMullen only slightly. I have heard a portion of the Commission read embodying the charges which the Commissioners are enjoined to inquire into.

Q.—Are you aware of any agreement or negotiations having reference to the formation of a Company of the character of that mentioned in the extract which has just been read to you ; if you have will you please to state your knowledge of it ?

A.—I have no personal knowledge of any agreement being concluded such as is described therein.

Q.—Have you any knowledge of any such negotiation ?

A.—Sir Hugh Allan told me himself in February, 1872, that he was negotiating with Americans with the object of having them take an interest in the Canadian Pacific Railway. The date of this was towards the end of February, 1872. I received a letter dated 27th February, 1872, from Sir Hugh Allan, and replied on the 29th ; these letters have been published, and perhaps the easiest way would be to refer to them. In a letter dated 8th July, 1873, and published, I give the substance of the conversation which Sir Hugh Allan had with me, and also the letters which passed afterwards between us.

The witness read a letter before the Commission embodying the evidence of his knowledge of the matters referred to in the extract of the charge which has been read to him. This letter contains a true statement of the facts therein declared. It is dated July 8th, 1873, and is as follows :—

THE PACIFIC RAILWAY NEGOTIATIONS.

SENATOR MACPHERSON'S STATEMENT.

To the Editor of the ' Mail.'

SIR,—Sir Hugh Allan having admitted the genuineness of the letters published over his name in the 'Globe' and 'Montreal Herald' of Friday last, I ask the favour of space in your columns to correct misrepresentations affecting myself contained in some of these letters.

Sir Hugh Allan, in his letter to Mr. C. M. Smith, of Chicago, dated Toronto, 24th February, 1872, the day after his last interview with me, purporting to be a statement of what had passed between us, says :—"He (Mr. Macpherson) has been applied to by our "opponents, and uses that as a lever by which to obtain better terms from us. He insists "on getting \$250,000 of stock, and threatens opposition if he does not get it." Every one of these allegations is absolutely without foundation.

I had not been "applied to by the opponents" of Sir Hugh and his American associates, and did not say that I had been.

I am not aware that they had opponents then, for the leading features of their scheme for constructing the Canadian Pacific Railway were unknown to the public.

So far from demanding \$250,000, or any other amount of stock, I avoided the discussion of all details with Sir Hugh, and confined myself in our conversation to pointing out what, in my opinion, were fundamental and insuperable objections to his project from a public point of view. And it will be seen from my letters to him, given below, that within a week of the date of these interviews I had refused to connect myself with him.

If I had not been restrained by other, I may say by higher, considerations from joining Sir Hugh Allan's combination, it is quite evident, from his correspondence now published, that he would not have allowed the question of "terms" to stand in the way of my doing so. Sir Hugh Allan, in his letter to Mr. McMullen, dated Montreal, 4th March, 1872, when advising his friend (Mr. McM.) that Mr. Brydges and myself had declined to join

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them because "their Company was too largely American, and that we wanted to see it "in the hands of Canadians," proceeds to say: "They (Messrs. Macpherson and Brydges) "tried to detach me from the Company we have formed and get me to join theirs, which, "of course, I declined." So far as I am concerned, this is entirely unfounded.

Mr. Brydges and I had formed [no Company; I was not connected with one at that time, and I am not aware that one existed, or any association of persons intended to form one. I therefore could not have asked Sir Hugh Allan to join any Company. There never was any concerted action between Mr. Brydges and myself in respect to the Canadian Pacific Railway. Neither of us knew that the other had been asked and had declined to join Sir Hugh Allan's combination until after these events. Acting in the belief that Sir Hugh desired and expected that the communications, oral and written, which took place between us in February, 1872, would be regarded as private, I have hitherto abstained from giving them publicity, although in doing so I may have laid myself open to much misconception as to my motives in declining, first, to connect myself with his American scheme, and then in opposing the amalgamation of the Interoceanic and Canadian Pacific Railway Companies.

The version which Sir Hugh Allan has permitted himself to give in his published letters of what passed at our interviews, not only released me from any further obligation of silence, but imposes on me the duty of placing before the public the details I now furnish.

They consist of the following memoranda and letters:—

1st. A memorandum of conversation between Sir Hugh Allan and myself in February, 1872 (prepared soon after these interviews).

2nd. Letters from Sir Hugh to me, dated 27th and 29th February, 1872.

3rd. My letter to Sir Hugh, dated 29th February, 1872.

4th. A memorandum of what passed between the Hon. J. J. C. Abbott, Sir Hugh Allan, and myself, concerning the organization of an amalgamated Company, prepared for the Executive Committee of the Interoceanic Railway Company. The following are copies in extenso of these documents.

(Copy.)

1ST.—MEMORANDUM OF CONVERSATION BETWEEN SIR HUGH ALLAN AND MYSELF IN FEBRUARY, 1872.

In February, 1872, Sir Hugh Allan called upon me and proposed that I should join him in undertaking to construct the Canada Pacific Railway, for the subsidies to be granted by Parliament, and to allow my name to appear as one of the Provisional Directors in an Act about to be applied for to incorporate the Canada Pacific Railway Company. I said that before I could consider the proposal to join him, I must have some general idea of his scheme for carrying out the enterprise. He informed me that he had it understood with the Government that the undertaking should be placed in his hands, and that he had secured the co-operation of parties in New York, of great wealth, who would subscribe the greater part of the share capital, which it was proposed to fix at \$10,000,000. With the assistance of these American capitalists he had no doubt the enterprise could be carried to completion successfully. He said that he proposed to place the management in the hands of a Board of eleven Directors, of whom six, including the President, should be British subjects, resident in Canada, and five should be Americans, resident in the United States.

The Canadian members of the Board to be Sir Hugh Allan, the Hon. A. B. Foster, the Hon. J. J. C. Abbott (or the Hon. Thomas McGreevy), Donald A. Smith, Donald McInnes, and myself.

The American members to be Messrs. J. G. Smith, G. W. Cass, William B. Ogden, of Chicago; T. A. Scott, of Philadelphia; and J. Cooke, of New York; all Directors of the Northern Pacific Railroad Company—the two first named being the President and Vice-President of that Company.

I took exception to the proposed organization of the Company, and remonstrated against giving our rivals the control and ownership of our Transcontinental Railway, which could only be carried out with Canadian subsidies in money and land. I pointed out to Sir Hugh that the Americans he referred to would not invest money of their own in the enterprise; that apparently they had none to invest in such enterprises, for that they had obtained from Europe all, or almost all, the capital employed so far, in constructing the Northern Pacific Railway; that if they were allowed to hold the major part of the stock, as he proposed, they would be complete masters of the Canadian Pacific Railway; and that this would enable them to subordinate its traffic arrangements to their interests in

the United States, that it would give them control of the settlement of the large territory to be granted to the Company in our North West, and, that they might, and possibly would, so manage its settlement as to imperil the very peace of Canada. Sir Hugh dissented from all these opinions, and in expressing surprise that I should entertain such narrow views, said that he took a cosmopolitan view of the question, that in stipulating that a majority of the Directory should be British subjects, resident in Canada, he had sufficiently guarded Canadian interests. He added that he was unable to state precisely how the stock (10,000,000) would be apportioned; that that was then being determined in New York; that he expected to be fully advised on his return to Montreal, and would communicate the information to me. I objected also to the composition of the Canadian Board, as proposed by Sir Hugh Allan, and urged that it did not fairly or sufficiently represent the various Provinces of the Dominion.

I said that Mr. McInnes and myself would not be sufficient representation from Ontario, and that there was no representative from British Columbia, the Province of all others most interested in the railway. Sir Hugh said that he considered the Board as proposed a good one, and that if British Columbia were represented, the Maritime Provinces would also expect to be represented.

I replied that I thought they ought to be represented; that the undertaking was a Dominion one in the broadest sense; that all the Provinces should have the opportunity of taking an interest in the Company, and of being represented at the Board; that I was quite certain Parliament would not assent to, or the country tolerate any scheme which would place the Canadian Pacific Railway and its subsidies in the hands of foreigners and rivals. After Sir Hugh's return to Montreal, I received the following letters:—

MY DEAR SIR, (Copy.) Montreal, 27th Feb., 1872.
The papers which have come from New York indicate the amount of stock allotted to me as \$1,450,000. This I propose to divide in something like the following shares:—

Hon. D. L. Macpherson	-	-	-	-	-	-	-	100,000
Hon. A. B. Foster	-	-	-	-	-	-	-	100,000
Hon. J. J. C. Abbott	-	-	-	-	-	-	-	100,000
Donald A. Smith	-	-	-	-	-	-	-	100,000
Donald McInnes	-	-	-	-	-	-	-	50,000
Andrew Allan	-	-	-	-	-	-	-	100,000
John Shedden	-	-	-	-	-	-	-	50,000
C. S. Gzowski	-	-	-	-	-	-	-	50,000
George Brown	-	-	-	-	-	-	-	50,000
Henry Nathan	-	-	-	-	-	-	-	100,000
C. J. Brydges	-	-	-	-	-	-	-	100,000
T. McGreevy	-	-	-	-	-	-	-	50,000
H. Allan	-	-	-	-	-	-	-	500,000
								<u>\$1,450,000</u>

This may not be the ultimate arrangement, as I have not yet even proposed the matter to some of the gentlemen; but, if I can arrange it, there will not be much change. Please advise me at once if you consent that your name shall appear as one of the Provisional Directors, as I must send in the list to the Government without delay.

Yours truly,
(Signed) HUGH ALLAN.
The Hon. D. L. Macpherson.
The information in this letter is for yourself alone.

(Copy) Montreal, 29th Feb., 1872.
MY DEAR SIR,—Since writing to you, I am informed that the Hon. George Brown will not be a shareholder at present, and I propose to name Mr. Howland in his place.

Yours truly,
(Signed) HUGH ALLAN.
To Hon. D. L. Macpherson, Toronto.

(Copy 3rd.) Montreal, 29th Feb., 1872.
DEAR SIR HUGH,
I have to thank you for your letter of 27th inst., informing me that there had been allotted to you in New York, shares in the Canada Pacific Railway, for Canadians, to the amount of \$1,450,000, and mentioning how you propose to divide the same. Since you asked me to allow my name to appear in the Charter as one of the

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Provisional Directors, I have carefully considered your scheme, and have become convinced that Parliament will not assent to it in its present shape, or to any scheme which, like it, would place our great Transcontinental Railway for ever under the absolute control of our rivals, our American neighbours. This would be effected by giving to them, as you do, seventeen-twentieths of the whole stock of the Company. Why should this be done? Canada must give the means in money and land to build the railway. Why should we hand over the control and ownership of the line, with all its incalculable advantages, direct and indirect, during construction and for ever, to foreigners? Such an arrangement is not indispensable to the building of the road, and nothing short of this in my opinion would justify it.

Second only in importance to obtaining the railway, is the securing the control of it, with all its benefits, to our own people.

We have in Canada men of sufficient ability to carry out this great undertaking successfully, whose character and means would be ample guarantee to the Government and the country for the fulfilment of their engagements. Money would have to be obtained from abroad; but the securities would be Canadian, and negotiations should be directed by Canadians.

The assistance of English and foreign financial agents would be necessary, and for their services they would have to be paid; but they should have no interests rival or antagonistic to the Canada Pacific Railway. I should be quite willing that they and their clients should have an interest in the road, but not a controlling one.

The position of the Canadian Directors under your proposed organization of the Company would be uncomfortable and anomalous, at least so it appears to me. They would sit at the Board in virtue of being Canadians, but merely as the nominees and the mere agents—of foreign shareholders.

The interests of these shareholders might conflict with the interests of Canada, possibly very soon. Then, if the Directors stood by their country, I apprehend they would be required to surrender their seats at the first ensuing election for more subservient men.

Holding these views, which I expressed to you when you first offered me a Directorship, and they have strengthened with reflection; and not seeing my way to occupy a seat at the Board with that feeling of independence so essential to usefulness as a Director of any undertaking, especially one of the magnitude of the Canada Pacific Railway, it is my duty to decline the office. I deem it right to give you my reasons therefor frankly and freely. Thanking you for inviting my co-operation,

I remain, &c.,

Sir Hugh Allan, Knight, &c., Montreal.

(Signed) D. L. MACPHERSON.

(Copy.)

Toronto, 8th July, 1873.

4. Memorandum.—Early in July, 1872, I casually met the Hon. J. J. C. Abbott, of Montreal, at the Queen's Hotel here, and had some conversation with him respecting the amalgamation of the Interoceanic and Canada Pacific Railway Companies.

We both understood the Government wished the two Companies to amalgamate, and it was also understood that the Government favoured a Directory of thirteen members (the same number as the Cabinet), of whom I, as President of the Interoceanic Company, should name five from Ontario; Sir Hugh, as President of the Canada Pacific Company, four from Quebec, and the Government four—one for each of the other Provinces. Mr. Abbott said that four was too small a number to enable them to obtain an adequate representation of nationalities and localities from the Province of Quebec; that they required six, and would like the numbers to be for Ontario and Quebec seven and six. I replied that as between Ontario and Quebec the proportion of five to four was much less than Ontario was entitled to, while seven to six would make the disproportion still greater. Finally, I said that if amalgamation would be entertained by the Interoceanic Company, and if all the other details were satisfactorily settled, it was possible the Interoceanic Company would not break off negotiations upon the point as to whether the number of Directors named by each Company respectively should be five and four, or seven and six.

I stated very early in our conversation that there would be feeling of unwillingness on the part of the Interoceanic Company to enter into amalgamation at all, many of us doubting whether the objects of the two Companies were the same, ours being to make the Company ultimately organized essentially Canadian, while we feared Sir Hugh Allan and his associates still clung to their old alliance with gentlemen interested in the Northern Pacific Railway on conditions that would place the Canada Pacific Railway in their hands and under their control. Mr. Abbott assured me that this was not the case.

I replied that it was a point on which it would be difficult to satisfy the Interoceanic Company.

Mr. Abbott then referred to the Presidency of an amalgamated Company, and inquired if I would agree to Sir Hugh Allan being appointed to that office.

In reply I stated distinctly that I would not; that while I did not arrogate any claim myself to the Presidency, I should not concede or waive any in favour of Sir Hugh Allan; that, if amalgamation should take place, the new Provisional Board should be left free to elect their President, and that it was not for Sir Hugh Allan and myself to arrange in advance who should be President.

Mr. Abbott was not satisfied with this, and referred to it again on the following day, remarking that unless the Presidency were promised to Sir Hugh, he was afraid no amalgamation would take place.

In the course of the following week, when at Montreal on private business, I, in compliance with a written request from Sir Hugh Allan, called at his office. He at once referred to the Pacific Railway, and said he understood from Mr. Abbott that the only points of amalgamation on which he (Mr. Abbott) and I differed were the number of Directors to be named by each Company, and the question of the Presidency.

I replied that these were the only points we had discussed. That I said to Mr. Abbott, speaking for myself only, that if all the other details of amalgamation were settled satisfactorily, I thought the Interoceanic Company might be induced to consider the necessities of the other Company so far as to make the number of Directors to be named by each of us respectively seven and six.

That with respect to the Presidency, I had told Mr. Abbott that if amalgamation took place, the choice should be left to the Directors, and asked Sir Hugh if he did not think that that would be the proper way.

He replied that he could not say that such was his opinion.

It might be inferred from what Sir Hugh says in his affidavit, published on Saturday last, of Mr. Abbott's interviews with me, that we had been for days closely engaged in discussing terms of amalgamation for the Companies, and generally maturing a scheme for the construction of the Pacific Railway. We had but two brief interviews, and the only subjects discussed were those mentioned in the above memorandum.

My reasons for declining to assist Sir Hugh Allan to carry out what I then regarded, and still regard, as most prejudicial to Canada—I might almost be justified in saying a conspiracy against Canada—are contained in my letter to him quoted above. My reasons for opposing the amalgamation of the two Companies are set forth in the Memoranda addressed to the Government by the Interoceanic Railway Company, published in the Toronto 'Globe' in July last, and submitted by the Government to both Houses of Parliament.

A complete statement of my negotiations with Sir Hugh Allan with a view to the construction of our great Interoceanic Railway is now before the people of Canada, to whose judgment the course which I pursued is unreservedly submitted.

I am, Sir, your obedient servant, &c.,

D. L. MACPHERSON.

In Sir Hugh Allan's letter, dated 27th July, 1872, he advised me that the papers he expected to receive from New York had been received by him, indicating the amount of stock allotted to him to be \$1,450,000, that being, as I understood, the proportion of the whole amount of \$10,000,000, which had been allotted to Canada, and he intimated in that letter how he proposed to divide that amount, namely \$1,450,000, among Canadians.

Q.—Have you got in your possession the list which he gave you, giving the names of those among whom this amount of stock was to be divided?

A.—His letter to me containing the list has been published. I thought I had his original letter with me, but I find I have it not. It is embodied in my published letter of the 8th July, and is dated 27th February, 1872.

My reply to Sir Hugh Allan, dated 29th February, 1872, and referring to his letter, the contents of which I have just described, is embodied in Exhibit "E."

I am not personally aware that Mr. McMullen acted for certain United States capitalists, but understood that he did.

Sir Hugh Allan's letter to me indicates that three-twentieths of the whole stock had been assigned to Canada, and the remaining seventeen-twentieths were to be divided among capitalists in the United States. This was in February, 1872, before there was any legislation whatever, but in anticipation of the ensuing Session.

I have no knowledge except what is stated in Sir Hugh Allan's letter, and know

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nothing about the certain percentage of interest, that is stated in the charge I have read, which Sir Hugh Allan was to receive.

Q.—Is it in conformity with your knowledge that Sir Hugh Allan was to be at the head of the proposed Railway Company?

A.—Nothing was said at that time by Sir Hugh Allan about his being at the head of the Company, that point was not raised in Sir Hugh Allan's conversation with me then; no personal matters or details were then discussed.

Q.—Have you any knowledge whether the Government were aware that these negotiations were pending between Sir Hugh Allan and the Americans?

A.—I had not an absolute personal knowledge; but I understood that the Government were aware of it, and Sir Hugh Allan himself stated to me that the Government were aware of it. The knowledge which I had in respect to this matter was obtained from Sir Hugh Allan.

Q.—In reference to the following portion of the charge, viz. "that subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Government of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway." Have you any knowledge relating to that subject?

A.—I have no knowledge relating to that subject.

Q.—Do you mean to say that you know of no understanding between the Government and Sir Hugh Allan and Mr. Abbott relating to Sir Hugh Allan's support in the elections?

A.—No; I have no knowledge of any arrangements between the Government and Sir Hugh Allan and Mr. Abbott that Sir Hugh was to furnish money for the elections. I have no personal knowledge that the giving of the contract to Sir Hugh Allan depended on his furnishing money for the elections.

Q.—There was an offer made to you of some of the stock in this contemplated Company, was there not?

A.—In Sir Hugh Allan's letter of 27th February, 1872, my name is put down in the list with others for \$100,000; but I was no party to that. Nothing of the kind was discussed between Sir Hugh Allan and myself; everything he alleges connected with that is utterly unfounded. I stipulated for nothing, and I was offered nothing. I at no time negotiated in any way for the insertion of my name as a subscriber of any stock in this Company. I state this most positively.

Q.—Did you give Sir Hugh Allan at any time to believe that you felt disposed in any way to become a party to such an arrangement?

A.—No; I took exception to his scheme when he first explained it to me, and, in reply to Sir Hugh Allan's letter of 27th February, 1872, advising the allotment of stock in New York of the Canada Pacific Company, I, by return mail, declined to have anything to do with his scheme.

Q.—You were, I believe, President of the Interoceanic Railway Company, were you not?

A.—I was.

Q.—I see in the printed pamphlet, marked "Charter for the construction of the Pacific Railway," which was given to Parliament, your name subscribed to a report of a meeting of the Provisional Directors of the Interoceanic Railway Company of Canada, dated 26th September, 1872. Was that an application to the Government for the contract for that Company?

A.—It was informing the Government that the Company was prepared to treat with the Government, and was organized.

That was long after Sir Hugh Allan's application to me; at the time Sir Hugh Allan had negotiations with me, there was no Company in existence. Had it not been for my objections to Sir Hugh Allan's scheme, and my desire, in the interests of the country, to frustrate that scheme, I probably would not have appeared in connection with the Canadian Pacific Railway at all. It was only after I found that Sir Hugh Allan would not abandon his American associates, that I proposed to certain gentlemen in Toronto, and elsewhere, to apply for a Charter and to be prepared to do whatever might seem best when the time for action arrived. The gentlemen to whom I addressed myself agreed in opinion with me, and we petitioned for an Act, incorporating the Interoceanic Company.

Q.—Was this Interoceanic Company formed with a view of defeating the original scheme, with the American capitalists?

A.—Yes.

Q.—Were there any negotiations between the Interoceanic Company and the Canada Pacific Company with respect to amalgamation afterwards?

A.—There was some time afterwards.

Q.—Why was that negotiation unsuccessful?

A.—Because the Interoceanic Company did not believe that the Canada Pacific Company had abandoned their American connections. It is quite true that the Committee of the Canada Pacific Company assured the Government that they never had any communication with Americans. The Interoceanic Company, however, looked upon Sir Hugh Allan as really the Canada Pacific Company, and they had reason to believe that the American gentlemen with whom Sir Hugh had been in negotiation still expected that the understanding which he had with them would be fulfilled, and for that reason the Interoceanic Company declined to amalgamate with the Canada Pacific Company.

In the second Memorandum of the Executive Committee of the Interoceanic Railway Company, addressed to the Government, they stated "that they deem it their duty to state to the Government, that in their opinion the admitted negotiations of Sir Hugh Allan with gentlemen in the United States, resulting in an arrangement or understanding which is considered opposed to Canadian interests, and which the undersigned from information in their possession, and referred to above, have reason to believe is still substantially existing, will continue to cause the Canadian people to view with suspicion and prevent their subscribing stock in any Company in which Sir Hugh Allan and his associates appear controlling parties." I give these reasons from the Memorandum of the reasons on account of which the Interoceanic Company declined to amalgamate.

Q.—Was there any other reason than Sir Hugh Allan's associations with Americans which induced the Interoceanic Company to oppose the Canada Pacific Railway Company?

A.—I think not, except the reasons which are given in the Memoranda contained in the Blue Book referred to, endorsed "Charter for the construction of the Pacific Railway, with papers and correspondence."

Q.—Can you state your grounds for believing in the fact that Sir Hugh Allan was associated with American capitalists?

A.—I had a statement from himself in the conversation which I had with him at an early period, that his associates were American capitalists.

Q.—Had you any statement from him at a later period?

A.—No; I had a conversation with Mr. Abbott, and he assured me that they had dropped the American connection. I told him it would be very difficult to satisfy the Interoceanic Company on the subject.

I have no knowledge at all relating to the elections in Montreal.

Q.—Do you remember any other matter which might be of use in this inquiry?

A.—The only additional matter that took place at all between the Canada Pacific Company and myself was the conversation I have referred to with Mr. Abbott, and what took place then I have also published. It was expressing his desire that an amalgamation would take place. Mr. Abbott, I believe, was one of the Provisional Directors of the Canada Pacific Company, but is not a Director of the present Canadian Pacific Railway Company. He is Counsel, I believe, of the Company now chartered. This conversation took place before the Company was chartered; that is, before the Royal Charter was issued.

Subsequent to the issuing of the Charter, I had no conversation with Sir Hugh Allan.

In 1872, two Acts of Incorporation were granted, one to the Canada Pacific Company and the other to the Interoceanic Company. It was these two Companies which it was proposed to amalgamate, that is, the Canada Pacific Company, which Sir Hugh Allan wished to amalgamate with the Interoceanic Company.

I had this conversation with Mr. Abbott I think in July, 1872. In that conversation he urged upon me the desirability of amalgamation, and also asked me if, in the event of the subject being discussed, and favourably considered, would I consent to Sir Hugh Allan's being President. We also spoke of the number of Directors. The only matter at all personal to Sir Hugh Allan and myself was the question of the Presidency. Mr. Abbott wished that I would consent to the office being filled by Sir Hugh Allan. I told him I would not assent to it in advance, but I set up no claim to the office myself. I thought it should be left to the free choice of the Directors if amalgamation should take place.

Q.—Had you any interview with the Government or any member thereof with relation to this amalgamation?

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A.—No personal interview—I had a conversation—or probably two or three conversations—with Sir John A. Macdonald on the subject, in which he urged the importance of amalgamation, putting it on the ground that it was desirable to unite as much as possible the influence and financial strength of the country, but nothing beyond this general expression of opinion. I objected on the ground stated in the Minutes of the Interoceanic Company, and because I felt quite certain that Sir Hugh Allan continued in association with the Americans, and that this would be fatal to the enterprise in his hands, and that if the Interoceanic Company joined with the Canada Pacific, it would be involved in failure and disgrace, and I did not wish either the Interoceanic Company or myself to be involved in these.

To Sir John A. Macdonald:

I include the whole of my published letter, dated 8th July, 1873, in my deposition. In this letter there is contained a memorandum of the conversation which took place in July, 1872, with Mr. Abbott; it is substantially correct.

Q.—When was the last occasion on which you had any communication with myself on the subject of the amalgamation?

A.—I think it was in November last, at Toronto.

Sir John A. Macdonald pressed strongly for the amalgamation of the two Companies at that time. I dissented on pretty much the same grounds as those assigned in the Memorandum of the Interoceanic Company, addressed to the Government.

The printed copy of the letter above referred to, of the 8th of July, 1873, and which is marked "E," contains a full and true statement of all the matters to which it relates.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the sixth day of September, 1873, and acknowledged before us this eighth day of September of said year. } (Signed) D. L. MACPHERSON.
(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable JEAN LOUIS BEAUDRY, of the City of Montreal, one of the Members of the Legislative Council, who being duly sworn, deposeth and saith:

I was a Provisional Director of the Canada Pacific Railway Company, incorporated in 1872.

I have no knowledge of an agreement between Sir Hugh Allan and G. W. McMullen, acting for certain American capitalists, for the construction of the contemplated Pacific Railway, to have funds from capitalists of the United States. I have no knowledge whatever of any negotiations or correspondence having taken place with reference to the matters stated above.

I have no knowledge of an understanding between the Government, Sir Hugh Allan and Honourable J. J. C. Abbott, that Sir Hugh Allan and his friends should advance money for the purpose of aiding the election of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway in consideration of such subscriptions. From the short duration of the connection I had with the enterprise of the Pacific Railway, I had no means of knowing, and knew nothing of these correspondence. I have no other knowledge except of what I have stated that took place at the meeting of the Board. Nothing took place then that had any respect to the correspondence or negotiations with Americans.

The question as to what source the means for the construction of the Pacific Railway were to be derived was not discussed at the meetings which I attended.

I have no personal knowledge whatever that these funds were to be expected from American capitalists.

I took an active part in the elections of Montreal East in 1872; I was on Sir George Cartier's Committee.

When I attended the Committee for the first time there had already been some organization made, and at the meeting which I attended they asked me to preside over the meeting. It was about the commencement of August, 1872. I was told by some of the members of the Committee that they had a list of subscriptions for the object of defraying the expenses of the election.

I did not see the list of subscriptions myself, but at a certain period of the canvassing I was asked by some of the members of the Committee to go to Mr. Abbott, and I went to Mr. Abbott with two other gentlemen, and then signed a receipt for \$20,000 to Mr. Abbott. I did not see the money myself. The receipt was signed in Mr. Abbott's office, in his presence—it was left with Mr. Abbott. I was given to understand that Sir Hugh Allan was a subscriber to the election funds. The expressions made use of in the receipt then signed by me are the only conditions that I am aware of. The Honourable H. Starnes and Mr. Murphy signed the receipt with me.

The only receipt which I signed in connection with these gentlemen is the one above referred to. I have not seen this receipt since. I have no personal knowledge of that receipt having passed from Mr. Abbott's hands, except what I have seen in the newspapers. I am not aware, personally, of any other sums given by Sir Hugh Allan. That receipt refers to the letters of Sir George E. Cartier, dated 30th July and 24th August, 1872. I had not seen those letters when I signed the receipt; but subsequently, the letter of the 30th July was shown to me. It was in the hands of a gentleman who wanted me to state if the article which had appeared the day previous in the 'Gazette' was correct as to the nature of the letter. That gentleman was Mr. Murphy. I did write a letter in conjunction with Mr. Starnes and Mr. Murphy. I think this letter was handed to the Editor of the 'Montreal Gazette.' The letter which the Chairman read to me just now is the letter which I signed, and the contents of it are true. I have taken communication of a printed copy of the letter referred to, in the following terms:—

EXTRACT FROM THE 'MONTREAL GAZETTE,' JULY 23RD, 1873.

THE PACIFIC RAILWAY SCANDAL.

To the Editor of the 'Gazette.'

SIR,—Seeing your Editorial of yesterday, in which reference is made to a letter from Sir George E. Cartier, to Sir Hugh Allan, dated 30th July last, which letter is referred to in the letter of Sir George E. Cartier, of date 24th August, published by Mr. McMullen, we feel bound to state that we have seen the first-mentioned letter, and that your editorial statement that it has no reference whatever to the Pacific Railway Company, or to the Pacific Railway contract, is perfectly correct.

(Signed) J. L. BEAUDRY.
H. STARNES.
P. S. MURPHY.

July 22nd, 1873.

I declare the statement contained in that letter to be true, and I make it a part of my deposition. I don't know, personally, of any other sum of money subscribed for the Montreal elections, for I did not go round with the list; but I have heard there was—I was told by some members of the Committee that there was a list of subscriptions. I don't know what amount was subscribed, and I do not know either what amount Sir Hugh Allan has subscribed. There was a large sum of money paid to the different Election Committees. I was in the General Committee, and there were sub-committees in every ward. I had nothing to do with the distribution of the money or with paying the accounts. Considerable sums of money were paid to these sub-committees. Some of the sums of money paid were drawn from the Metropolitan Bank by cheques. I am not aware of what kind of receipts was given for these sums of money. I believe these \$20,000 were paid on account of Sir George E. Cartier's letter of the 24th August. When I signed that receipt I thought that Sir Hugh Allan was a subscriber, and it is the only inference which I can draw from the wording of the receipt. I had no knowledge whatever of any conditions except what is contained in the receipt.

I have no knowledge of any other subscription, except that some friends told me they had subscribed.

CANADA.

The receipt was signed and left with Mr. Abbott, and I did not see the money. I did not see the cheque for the drawing of the \$20,000 from the Bank.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on this eighth
day of September, one thousand eight
hundred and seventy-three.

(Signed)

(Signed) J. L. BEAUDRY.

CHARLES DEWEY DAY, Chairman.

A. POLETTE,

JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

PETER S. MURPHY, of the City of Montreal, Merchant, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Q.—Have you any knowledge relating to an agreement between Sir Hugh Allan and Mr. G. W. McMullen, representing certain American capitalists, for the building of the Canada Pacific Railway with American funds?

A.—I have not.

Q.—Have you had any particular connection with the original Company?

A.—None at all.

My connection was with the Montreal Northern Colonization Railway Company.

Q.—Had you any knowledge previous to the passing of the Act of Incorporation of the Canada Pacific Railway Company as to any negotiations that were going on?

A.—No. I don't know Mr. McMullen by sight.

Q.—Had you any knowledge of the understanding, subsequent to that period, between Sir Hugh Allan, or Mr. Abbott, and the Government, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the then ensuing general election, namely, that of 1872; and that he and his friends should receive the contract for the construction of the Pacific Railway; were you aware of any such agreement with the Government or with any member of the Government. Have you any knowledge on this subject whatsoever?

A.—I have no such knowledge whatsoever.

Q.—Had you any communication with Sir Hugh Allan, or with the Government, that would have enabled you to know?

A.—I had not. I know nothing except what I saw in the papers.

Q.—You were interested in the elections of 1872, and took an active part in them, did you not?

A.—I did. I was a member of Sir George Cartier's General Election Committee for the Eastern Division of Montreal.

Q.—Do you know of money having been furnished for the carrying on of the elections there, or in any other part of the city?

A.—Yes. There was a large subscription list passed round, and several gentlemen subscribed. The largest amount subscribed was that by Sir Hugh Allan. Hon. Mr. Starnes stated the other day that it was seventy thousand dollars. My impression is that it did not exceed sixty-five thousand dollars; that is the gross amount of all the subscriptions.

Q.—Do you know of any portion, and if so what portion, was subscribed by Sir Hugh Allan?

A.—His first subscription was ten thousand dollars. I was one of those who signed the receipt for it.

The next sum was for ten thousand dollars more I think, but I am not sure. It was for at least ten thousand more.

Then there was the last or third subscription, or at least it is the only other one of which I have any knowledge. It was for twenty thousand dollars more. I signed the receipt for it.

Q.—Is the name "P. S. Murphy," which I see appended to the printed receipt for \$20,000, yours?

A.—Yes. Mr. Betournay's name was also on the receipt for the \$20,000 I believe. This receipt is signed "J. L. Beaudry," "Henry Starnes," "P. S. Murphy," "L. Betournay."

Ours was the Central Committee.

Q.—Do you know in whose hands the original of the receipt for the \$20,000 now is?

A.—The receipt was given to Mr. Abbott. I was present when it was given, and saw the \$20,000 paid. The money was deposited in the Metropolitan Bank.

Q.—Have you any reason to suppose that this receipt has passed out of Mr. Abbott's hands?

A.—No; I have not seen it since. I think it ought to be either in his or Sir Hugh Allan's hands.

Q.—Do you know whether that money was paid in consequence of any letter from Sir George Cartier?

A.—The money was paid in accordance with Sir George Cartier's letter of the 24th August, 1872, and upon the conditions contained in his letter of the 30th July, 1872.

I saw Sir George's letter of the 30th July. I saw it in Sir Hugh Allan's hands at the time, and I saw it a month ago in Mr. Abbott's hands.

It was a little more than a year ago that I saw it with Sir Hugh Allan.

Q.—You published a letter in conjunction with Mr. Beaudry and Mr. Starnes in relation to this letter of Sir George Cartier's of the 30th of July, did you not?

A.—Yes.

Q.—Who has the original of that letter?

A.—It was sent to the 'Gazette.'

Q.—Will you take communication of that letter now, and state to the Commission whether the allegations contained in it are true?

A.—The copy now shown to me is a true copy of the original, and contains the truth.

Q.—You state in this letter that Sir George Cartier's letter of the 30th of July has no reference to the Pacific Railway Company or to the Pacific Railway contract, do you not?

A.—I do. The statement in relation to this matter, published in the 'Gazette,' is perfectly correct.

Q.—Having seen this letter of the 30th July, what statement are you prepared to make upon it?

A.—The same statement as is contained in that letter. I state positively that the contents of that letter are true. I examined Sir George Cartier's letter of the 30th July, and it had no reference whatever to the Pacific Railway Company or to the Pacific Railway contract.

Q.—Were there any other sums than those which you have mentioned subscribed for the promotion of the elections?

A.—There were. I was a subscriber myself, and there were several other subscribers, among whom was Sir Hugh Allan, who was the largest subscriber. The aggregate amount was about \$65,000.

We had Committees in all the wards, and the expenses were very great, but the money was not all spent in the Eastern Division. A large portion was spent in elections elsewhere.

I suppose we were robbed, as is general in elections. It was a condition of Sir Hugh Allan's subscription that the expenses of Mr. Beaubien's election should be paid out of the fund if there was a contest. And if we had had a surplus the expenses of Mr. Beaubien would have been paid, but we were short, and therefore it was not done, and that is the reason why Mr. Beaubien's note remains unpaid.

Q.—Did the examination of that letter, which was shown to you by Sir Hugh Allan, purporting to be from Sir George Cartier, leave the impression on your mind which found expression in that letter?

A.—Yes.

Q.—Do you know anything of any telegrams which passed on the subject of these advances between Sir John A. Macdonald and Mr. Abbott?

A.—I saw them in the papers only, and know nothing more about them.

CANADA.

Q.—Was there any application to the Committee for the \$7,000 which was given to Mr. Beaubien?

A.—No, I believe not.

And further deponent saith not, and this his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day, } (Signed) P. S. MURPHY.
month, and year first above written. }

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JAMES DAKERS, of the City of Montreal, who being duly sworn, deposeth and saith: I reside in the city of Montreal.

My occupation there is Secretary and General Manager of the Montreal Telegraph Company.

I know Sir Hugh Allan.

I don't know Mr. McMullen. I never saw him.

Q.—Have you any knowledge of any negotiation or agreement between Sir Hugh Allan and G. W. McMullen, in relation to the building of the Canada Pacific Railway?

A.—None whatever.

Q.—Do you mean to say that you have no kind of knowledge relating to that matter at all?

A.—Nothing except what has appeared in the public newspapers.

Q.—Have you any knowledge of any arrangement or understanding between the Government and Sir Hugh Allan for the furnishing of money for the elections in Montreal in 1872?

A.—None whatever except what has appeared in the papers.

Q.—Were you in a position to know anything on this subject to which I refer from your office occupation?

A.—Nothing further than from the messages which passed through our office, but I do not see one out of a hundred perhaps, except there is something of importance brought under my notice. I don't see one-tenth of the communications that pass through the office, and of course I had no means of knowing otherwise.

Q.—Have you any knowledge that money was furnished by Sir Hugh Allan for the elections?

A.—None whatever, except what appeared in the public prints.

Q.—Have you in your possession any telegrams which passed through your office, between Sir John A. Macdonald and Sir Hugh Allan, or the Honourable Mr. Abbott, in the month of August, 1872, referring to the elections, or furnishing money for them?

A.—None; the messages of August, 1872, are all destroyed.

Q.—Are you able to state whether a message signed John A. Macdonald, dated 25th of August, 1872, and directed to Honourable J. J. C. Abbott, Ste. Annes, and marked "immediate, private," in these words, "I must have another \$10,000. Don't fail me—last time of calling," ever passed through your office?

A.—I never saw a message of that kind as having passed through our office. There was no such message that I know of, of the 25th August.

Q.—Have you any knowledge whether a message purporting to be sent from J. J. C. Abbott to Sir John A. Macdonald, directed to him at Toronto, and dated Montreal, 26th August, 1872, in these words,—“Draw on me for \$10,000,” ever passed through your office?

A.—No; I have no recollection of having seen such a message, nor do I know that such a message ever passed over the line.

Q.—Could these messages have passed through your office without your being aware of it?

A.—Yes.

Q.—Are you positive that all the messages of that date, that is the original telegrams of that date, which have passed through your office have been destroyed?

A.—Yes, I am positive they have been destroyed—and up to the 1st of January, 1873, they have all been destroyed.

Q.—Is there anything in the books of the Telegraph Office in Montreal that would enable you to state if messages in the terms I have referred to ever did pass through office?

A.—Under date the 28th of August, the signature and address taken from a message from Hon. J. J. C. Abbott to Sir John A. Macdonald, appears on our books, but what were the contents of this message I know not.

Q.—Is that the only message which is entered in your books, as passing between the same parties?

A.—There is another address and signature of a message having passed from Sir John A. Macdonald, to the Hon. Mr. Abbott, and which appears in our books on the 24th of August, 1872.

Q.—Have you any means which would enable you to state to the Commission what the contents of these telegrams were?

A.—No means whatever.

Q.—Are you enabled to state by what particular operator in your office they were sent?

A.—I could not tell through what operator they were sent, and I don't think that any operator who received them would be able to tell the contents of them at this distance of time.

Q.—Why are all the original telegrams destroyed?

A.—For want of room is one cause, and another cause is that we don't want, eighteen months, a year, or six months after, to have our operators dragged up to Court and kept there for a whole day. This is a standing order of the office.

To Sir John A. Macdonald through the Chairman:

Q.—How long has this regulation existed as to the destruction of the telegrams?

A.—The regulation for the destruction of them has been in existence for a long period. The regulation for the destruction of them after six months has been in force since January last.

One cause for this new regulation is that there is very little room in which to keep these telegrams.

This regulation had no connection with the telegrams that passed relative to the elections in 1872.

The recommendation for this six months regulation was made by myself, and had nothing whatever to do with the elections. It was made before there was anything known of this Pacific Railway matter at all.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day,
month, and year first above written, } (Signed) JAMES DAKERS.
before us.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: The COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

CHARLES JOSEPH COURSOL, of the City of Montreal, who being duly sworn, deposeth and saith:

I reside in Montreal, my office is Judge of Sessions of the Peace for the Province of Quebec, and Commissioner of Police for the Dominion. I have held that office for several years.

CANADA.

Q.—Did you hold any other office in 1872?

A.—I held the office of Mayor of the city of Montreal. I know Sir Hugh Allan. I saw Mr. McMullen once or twice in Montreal.

Q.—Have you any knowledge of any agreement or negotiation between Sir Hugh Allan and Mr. G. W. McMullen in relation to the construction of the Pacific Railway?

A.—None whatever.

Q.—Have you never known anything of that matter?

A.—I have never known anything of the kind.

Q.—Have you any knowledge of any understanding between the Government, or any member of the Government and Sir Hugh Allan, through the Hon. Mr. Abbott or otherwise, relating to the furnishing of funds by them for the promotion of the elections of 1872 in Montreal?

A.—None whatever; nor is it likely I should have had either. I hope not.

Q.—From your office would you have been likely to have known anything about that?

A.—No, not through my office.

Q.—Have you any knowledge of Sir Hugh Allan's having furnished any funds for the elections of 1872?

A.—No knowledge whatever.

Q.—Do you know of any subscription having been raised for the promotion of Sir George E. Cartier's election?

A.—I heard that there had been a subscription raised for him. I know in one case there was a subscription raised; but I know of no subscription except one, which does not exceed, I believe, two or three hundred dollars. It was given by one of Sir George Cartier's friends.

Q.—Do you mean to say that you know nothing whatever of the subject of this inquiry?

A.—Nothing whatever; I was not a member of any Committee, and did not even vote at the elections, and took no part in them whatever. I know nothing at all of the subject matter of this inquiry, except what I have read in the newspapers.

Q.—Are you aware for what reason your name was put upon the list of witnesses of Mr. Huntington for examination here?

A.—I am not aware; I saw my name on Mr. Huntington's list when it was published during the last Session of Parliament. I met Mr. Huntington yesterday in the street, and I asked him if he knew why my name was put on there. I said to him that if he had any questions he wished put by the Chairman, I would suggest them to the Chairman in order that they might be put to me, and that I might state under oath anything I might know in regard to them. Mr. Huntington then told me that my name had been put there on his list, as it had been suggested to him by somebody during the Session of Parliament, but he did not know or remember what evidence I had to give.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }
day, month, and year first above }
written, before us.

(Signed)

CHS. J. COURSOL.

(Signed)

CHARLES DEWEY DAY, Chairman.

A. POLETTE,

JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the 2nd day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

CHARLES A. LEBLANC, of the City of Montreal, Sheriff, who being duly sworn, deposeth and saith:

I am Sheriff of the district of Montreal, and have been so for nine months.

I know Sir Hugh Allan; I do not know Mr. G. W. McMullen.

Q.—Have you knowledge of any agreement or negotiation between these gentlemen relating to the construction of the Pacific Railway, at any time?

A.—I have not had at any time.

Q.—You positively state that you have no such knowledge?

A.—I state so positively.

Q.—Are you aware of any understanding between Sir Hugh Allan and Mr. Abbott with the Government, that Sir Hugh Allan and his friends should advance money for the promotion of the general election in 1872, and particularly the election of Ministers and their supporters?

A.—I have no knowledge of any such understanding.

Q.—Do you know whether any individual member of the Government had any such understanding with these gentlemen?

A.—I do not know. That is a matter of which I have no knowledge whatever. I never had any conversation with Sir Hugh Allan or any other person with respect to the elections.

Q.—You were not Sheriff at the time those elections were going on, were you?

A.—No, I was not.

Q.—Were you a member of Sir George E. Cartier's Central Election Committee?

A.—Yes; I became a member of it about eight days after it was formed. I heard that Sir George Cartier requested that I should be there: so I went, but I had no time to be there during the day, and I only went when I saw that Sir George wanted me to go. I took an active part in the working of the Committee, particularly at night, as I had no time in the day time.

Q.—Was there any money furnished for the purpose of promoting the elections?

A.—There was undoubtedly by the friends of Sir George Cartier.

Q.—Do you know what amount was subscribed for the purpose?

A.—No, I never inquired, only I asked one or two members if they had enough of money. They said that they thought so for the elections in Montreal.

Q.—Do you know by whom the money was subscribed?

A.—I have not seen the list. I know that I subscribed myself, as I always did, for Sir George Cartier's elections, but I never had anything to do with the money. I always put any money I collected for the election purposes, in the hands of the Cashier. Personally I do not know that Sir Hugh Allan subscribed anything to Sir George Cartier's election. I heard that he did.

Q.—Have you any knowledge of the receipt that was given for \$20,000 that was signed by Mr. Murphy, Mr. Beaudry, Mr. Betournay, and Mr. Starnes; do you know if it was received from Sir Hugh Allan from the hands of Mr. Abbott?

A.—I know nothing of it except what I have learnt from the newspapers. I was very much surprised to see it at the time it was published in the papers.

Q.—Then are you prepared to say that you have no knowledge of any sum having been subscribed by Sir Hugh Allan except what you have derived through the newspapers?

A.—Nothing more.

Q.—Do you know anything about the manner in which this money was expended?

A.—I know it was generally expended for the elections. I have not seen the amount. There were only two or three little accounts that I was personally liable for. There may have been some of that money spent for the elections in the country, but I don't know of it personally.

And further for the present, deponent saith not.

And on this tenth day of September, 1873, re-appeared the said witness and made the following addition to his foregoing deposition: When I said that I knew nothing about the contract for the Pacific Railway, I meant to say that I knew nothing about the contract between Sir Hugh Allan and Mr. McMullen, but I now remember that in two instances in the month of June, 1872, Sir George Cartier said, with those energetic words that he generally used, something about the Pacific Railway Company, and that he would never, as long as he would be in the Ministry, consent to any American Company having the contract for building the Pacific Railway. That there were enough of Canadian Companies who were able to do the work, and that he would resign his place in the Ministry if the contract was given to any such Company; and he added, that he hoped his friends would see that the two Companies, meaning that of Sir Hugh Allan and that of Mr. Macpherson, would be amalgamated, and that they would be able to carry the whole matter through without any trouble.

Q.—You say that on two occasions, in the month of June, Sir George Cartier made these remarks you have alluded to. Do you remember when the first conversation occurred?

A.—His first conversation was when I was on a deputation with three other gentlemen.

Q.—Where?

CANADA.

A.—In the Government Buildings at his office.

Q.—Who was present on that occasion?

A.—The Hon. J. L. Beaudry, Mr. Victor Hudon, and Mr. C. S. Rodier, jun., and the Hon. Mr. Chapleau. I cannot say whether they heard these words or not.

Q.—In what capacity were they present and for what purpose?

A.—We came to see, as he was our representative in the East Division, what were his views on the Pacific Railway.

Q.—Was it in answer to such an appeal that these observations were made?

A.—We had a memorial to present to him which was in writing. We left it with him, and then we had a conversation; but I don't know whether the other gentlemen heard what Sir George said, for he spoke to me particularly.

Q.—Was any formal reply given to that memorial?

A.—Not that I know of. We all went into the office together. I think it was then about one o'clock. The memorial was read in my presence, and Sir George answered to it, and said that as our representative we had a right to put to him any question we liked, but as a minister, he could not say anything, but that the interests of Lower Canada would not be overlooked.

Q.—Will you give a circumstantial account of what passed on this first occasion?

A.—I think we have a copy, perhaps, of that memorial. We wanted to know what he thought of the Pacific Railway. I as one of the Directors of the Montreal Northern Colonization Railway, wanted especially to know what he thought about the Pacific, and if an amalgamation could be effected with the Northern Colonization Railway, so as to have the terminus of the Pacific Railway in Montreal.

Q.—At what time in the course of the interviews were these remarks made by Sir George Cartier?

A.—It was just at the time that we were going to leave his office.

Q.—Was it said to you only?

A.—He did not appear to be speaking to me in confidence at all, it was said openly.

Q.—Do you remember if any other gentleman was near at the time?

A.—I cannot remember.

Q.—Can you separate the two occasions, so as to state what was said on the first and what was said on the second occasion?

A.—It was about the same expression that he used on both occasions.

Q.—On the first occasion what was it that Sir George said?

A.—To the best of my opinion it was the very words that I have put into my foregoing deposition.

Q.—What do you mean by "those energetic words" you refer to. Give as near as possible the very words he addressed to you when speaking of the Pacific Railway?

A.—The words he used were, as near as I can remember, as follows:

"Aussi longtemps que je vivrai et que je serai dans le Ministère, jamais une sacrée Compagnie Américaine aura le control du Pacifique, et je résignerai ma place de Ministre plutôt que d'y consentir."

Q.—Were these words said on the first occasion?

A.—I am sure that he made use of them twice, and moreover, I think another time at his own house. He said these words I am sure on the first occasion. He said there were enough of Canadian Companies able to do the work, and that he would resign his place in the Ministry if the contract was given to the Americans.

Q.—Did he say on the first occasion that he hoped that his friends would see that the two Companies would be amalgamated, meaning that of Sir Hugh Allan, and that of Mr. Macpherson, and that the whole matter would be carried through without trouble?

A.—Yes. It was said on leaving the door of his office; we had a second interview with him on 24th June, 1872, when we left him in Ottawa, he wanted us to meet him in Montreal, and we did so on the date I have just mentioned, there were present on this occasion the gentlemen whom I have spoken of, namely:—The Hon. J. S. Beaudry, Victor Hudon, C. S. Rodier, jun., the Hon. Mr. Chapleau. There were a few others present who had nothing to do with our interview.

Q.—Did you still continue in your representative character with him as a prolongation of the first interview?

A.—Yes, it was a prolongation of the first meeting, and it was absolutely the same words that were used as in the first instance.

Q.—Did he enter more fully into the matter then?

A.—No, he did not go more fully into it, with the exception that he again repeated those words in the presence of all the people who were there, and told us we might ask him any question that we liked, in his capacity as our representative, as to what he thought on railway matters, but any question put to him as a minister, he could not

answer. As we were at the time preparing for the election, he said he did not want us to bring the matter before the public in connection with the railway scheme, but on his own merits. He said he thought that he had done enough for his country and for the party he represented, and that he ought to be elected on his own merits.

I told him we would do the best we could.

Q.—Did Sir George speak in French or English?

A.—He spoke on both occasions in French. The gentlemen present were all French Canadians.

Q.—On this last occasion, of the 24th June, did you say that Sir George spoke openly in the hearing of all?

A.—Yes; but as to the first occasion I am not quite sure whether the other gentlemen present heard what he said.

Q.—Were you on such intimate terms with Sir George that would have induced him to speak more particularly to you than to the others?

A.—I suppose I was the most intimate with him. I was one of his most intimate friends in Montreal—I mean outside of politics. Ever since we were at college we have been personal friends. I may add that he placed great confidence in me at many times.

Q.—You mentioned that there was another occasion on which Sir George spoke to you personally on this subject; was it in the same spirit?

A.—Yes. This was after the 24th June.

It was at his own place at Long Point. I was down there, as his nomination was to take place the next day, and he wanted to see me, and we had a very long conversation that afternoon. He repeated those very words to me, that it was not necessary to look to foreign Companies to build the Pacific Railway, as we had men in the country who could do the work, and he added that we should try to have an amalgamation made between the two Companies—that of Sir Hugh Allan and that of Mr. Macpherson—and also said that he could not say as to what the Government would do.

To Sir John A. Macdonald, through the Chairman:

Q.—When was the nomination of Sir George Cartier?

A.—It was on the 19th August, 1872.

The election took place on 28th August, 1872.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the ninth day of
September, 1873, and remainder
taken, and the whole acknowledged
on this eleventh of the same month
and year.

(Signed) C. A. LEBLANC.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JEAN BAPTISTE BEAUDRY, Esquire, of the City of Montreal, who being duly sworn, deposeth and saith:

I reside at Montreal.

I know Sir Hugh Allan, but I do not know Mr. McMullen.

I have no knowledge of an arrangement between Sir Hugh Allan and certain American capitalists to procure funds for the construction of the Canadian Pacific Railway.

I was not one of the Provisional Directors of the Canada Pacific Railway.

I have no knowledge of an understanding between Sir Hugh Allan and Mr. Abbott, and the Government, that Sir Hugh Allan should advance moneys for the election of

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ministers and their friends. I was not a member of any Committee for the election of Sir George Cartier in 1872. I know nothing of moneys furnished for that election beyond what I have seen in the newspapers.

I am not aware that Sir Hugh Allan advanced any sum of money for these elections; I could not know it as I was not a member of any Committee.

I cannot say why my name was placed on the list of witnesses.

I know absolutely nothing of this affair.

I heard from no one why my name had been placed on the list of witnesses, and I was much surprised when I found it had been so placed.

And further deponent saith not, and this, his deposition, having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken, and acknowledged on the ninth of September, eighteen hundred and seventy-three.	(Signed) JEAN BAPTISTE BEAUDRY.
(Signed)	CHARLES DEWEY DAY, Chairman. A. POLETTE, JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JACKSON RAE, of the City of Montreal, who being duly sworn, deposeth and saith:

I reside in Montreal. My occupation there is General Manager of the Merchants' Bank of Canada.

Q.—Who is President of that Bank?

A.—Sir Hugh Allan.

Q.—Are you connected with Sir Hugh Allan otherwise than in business by any family relations?

A.—None whatever.

Q.—Do you know Mr. G. W. McMullen?

A.—I never saw him, and I never heard of him till the recent correspondence appeared in the newspapers.

Q.—Have you any knowledge of any negotiation or agreement or correspondence between Sir Hugh Allan or any other person in relation to the construction of the Pacific Railway, which took place in 1872?

A.—None whatever.

Q.—Would your relations with Sir Hugh Allan been likely to have enabled you to have known something of this matter?

A.—Not necessarily so.

Q.—No facts connected with that negotiation came to your knowledge?

A.—Nothing ever came under my knowledge connected with any negotiations carried on by Sir Hugh Allan in connection with the Pacific Railway. Nothing whatever.

Q.—Have you a knowledge of any undertaking by Sir Hugh Allan, or by Mr. Abbott, to furnish funds for promoting the elections in Montreal in 1872?

A.—I have no personal knowledge.

Q.—Have you any reason to believe that any such arrangement was made?

A.—Nothing further than mere rumour.

Q.—Did you take any part in the elections in Montreal in 1872?

A.—I did not.

Q.—Are you aware if any sum of money was raised for the purpose of aiding in these elections?

A.—I am not, further than from mere rumour. I had no personal knowledge of it.

Q.—Do you know whether Sir Hugh Allan ever subscribed any money or furnished any sum of money for that purpose?

A.—I have only heard such reports.

Q.—You have not heard that from him?

A.—No, he has not told me.

Q.—Have you any knowledge which would induce you to believe that those rumours were true?

A.—My belief is that the rumours were true, that he did subscribe money.

Q.—Would you give the grounds of your belief, if you please?

A.—Simply from casual remarks of his own, made sometimes to other people in my hearing.

Q.—Have you any idea of the amount which he furnished?

A.—I have not.

Q.—Were any cheques drawn upon his account which would indicate the amount?

A.—I never saw any. They would not necessarily come under my notice in any way, if such existed.

Q.—Would the fact of payment of money for that purpose, be apparent on Sir Hugh Allan's account in the bank?

A.—Not upon the account itself. Whether the vouchers or cheques drawn would show it or not, I am unable to state without a personal examination.

Q.—You mean to say then that you have no knowledge that would enable you to state what amount was subscribed by Sir Hugh Allan?

A.—I have not.

Q.—Do you know to whom the money was paid?

A.—I do not.

Q.—Have you any knowledge whatever of the application of any money, or the mode in which money given in aid of the elections was expended by the Central Committee?

A.—Not the most remote. I know nothing whatever about it.

Q.—Do you know anything of this printed receipt which has been published in the newspapers, signed by Mr. Murphy, Mr. Starnes, Mr. Beaudry, and Mr. Betourney, purporting to be a receipt for \$20,000 received from Sir Hugh Allan?

A.—I have seen it in the newspapers. That is the only place I have seen it or heard of it.

Q.—These telegrams of Sir John A. Macdonald to Mr. Abbott, and from Mr. Abbott to Sir John A. Macdonald, have you ever seen them elsewhere than in the newspapers?

A.—Never.

Q.—Has Sir Hugh Allan got more than one account in the Bank; has he a private account different from his business account?

A.—His general business account is under the name of H. & A. Allan. He has a private account besides, but only one.

Q.—Is the condition of that account passed under your view like all other accounts in the bank?

A.—It is.

Q.—Did you observe at the time of the election of any large cheques passing?

A.—Sir Hugh Allan's account is a very large and active one at all times, and I did not notice at the time of the elections anything remarkable about the cheques.

Q.—Is there any connection between your bank and the Metropolitan Bank?

A.—There is none whatever.

Q.—Is there any account that would show exchanges between the two banks; do you exchange from time to time notes?

A.—We do exchange notes and cheques every day. The banks all exchange every day.

Q.—Is there any account that would show the particulars of the exchange each day?

A.—We can see only the figures. The names of the drawers of cheques do not appear.

To Sir John A. Macdonald, through the Chairman—

My connection with Sir Hugh Allan is altogether through the Bank. I am not his political nor his Railway Agent. I was not consulted as to his subscriptions to elections nor as to his arrangements about building Railways.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn taken and acknowledged before
us, on the day, month, and year }
first above written.

(Signed) JACKSON RAE.

(Signed)

CHARLES DEWEY DAY, Chairman.

A. POLETTE,

JAMES ROBERT GOWAN, Commissioners.

CANADA.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and Report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable JOSEPH OCTAVE BEAUBIEN, of St. Thomas, in the Province of Quebec, who being duly sworn depose and saith:

Q.—Where is your place of residence?

A.—St. Thomas in the Province of Quebec.

Q.—Were you formerly, and are you now, a member of the Legislative Council of Quebec?

A.—Yes, and I am now.

I held the office of Commissioner of Crown Lands in the Province of Quebec.

I know Sir Hugh Allan, I don't know Mr. G. W. McMullen.

Q.—Are you aware of any agreement or negotiations between Sir Hugh Allan and Mr. G. W. McMullen, or any other person, in relation to the construction of the Pacific Railway with funds to be furnished by American capitalists?

A.—None whatever.

Q.—Do you know anything about any negotiations or agreement between those gentlemen in 1872, before the Act of Incorporation was passed relating to the Pacific Railway?

A.—No, sir.

Q.—Had you any relations with those gentlemen that would enable you to know?

A.—No; I had no relations with Sir Hugh Allan before I became a director of the Canadian Pacific Railway.

Q.—In relation to the Canada Pacific Railway, the first one which was incorporated, had you any relations with Sir Hugh Allan which would have enabled you to know of any such agreement or negotiations.

A.—No; I had no conversation with any members of the Government of the Dominion before that. The first knowledge with respect to the Pacific Railway, was when the Company was formed last winter and the Canadian Pacific Railway Company was chartered.

I was appointed Director of that Company. I was nominated by the present Dominion Government.

Q.—Since you have been connected with the Canadian Pacific Company, have you ever had any conversation with any of the Ministers, or any other persons which would enable you to say whether there was such a negotiation as I have alluded to?

A.—No, none whatever. I never had any conversation whatever.

Q.—Do you know Sir Hugh Allan?

A.—Yes.

Q.—Do you know of any arrangement or understanding, between him and the Government, or any member of the Government, in relation to the furnishing of funds for the promotion of the elections of Ministers, and their supporters?

A.—No.

Q.—Do you reside below Quebec?

A.—Yes.

Q.—How far from Montreal?

A.—It must be sixty leagues—one hundred and eighty miles.

Q.—Have you ever had any communication with any of the Ministers or with any person as to the furnishing of funds for the support of the elections in Montreal in 1872?

A.—No, I don't know anything about it. I never received any money from Sir Hugh Allan, or any person acting as the agent or in the interest of Sir Hugh Allan.

Q.—Were any moneys received from Montreal by subscriptions for the support of Ministers in your neighbourhood?

A.—Not that I know of.

Q.—Do you mean to say that you had no manner of communication, or means of knowing how the money was furnished for the promotion of these elections?

A.—No. I never came near those men when this affair is said to have been transacted.

Q.—Do you know for what reason your name was put upon the list of witnesses?

A.—I do not.

Q.—Have you any knowledge by which you can account for your name being there?

A.—They may have thought that I was acting in the elections in the interests of the Government or Ministers; but there are no grounds for that, for about the time of the election I ran myself for the County of Montmagny, which I had represented for a long time, and I never saw during that time Sir Hugh Allan or any one of the Ministers.

Q.—Are you a Member of the Dominion Parliament?

A.—No, not now. I was defeated for the Dominion Parliament.

Q.—You are understood to be a Government supporter?

A.—Yes.

To Sir John A. Macdonald through the Chairman:

Q.—Were you asked by the Ministry to become a Director?

A.—Yes.

Q.—By what Minister were you asked?

A.—By Mr. Langevin.

I reside in the District of Quebec.

Q.—Were you not selected as a representative of the District of Quebec interest as against the Montreal interest?

A.—It was considered so at the time that I represented the Quebec District.

Q. by the Chairman.—How long have you been a member of the Legislative Council, and in public life?

A.—Seventeen years, I think.

I was Commissioner of Crown Lands up to last April. At the time I was appointed on the Board of Directors I held that office, and was a member of the Quebec Government.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the eleventh of September, 1873, and acknowledged on the twelfth of September of said year. } (Signed) J. O. BEAUBIEN.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

Reverend DANIEL McMULLEN, of Picton, Province of Ontario, who being duly sworn, deposeth and saith:

Q.—You are a clergyman, Mr. McMullen, are you not?

A.—Yes.

Q.—Of what denomination?

A.—Methodist.

Q.—Is your residence at Picton?

A.—Yes.

Q.—Do you know Mr. George McMullen?

A.—Yes.

Q.—In what relation do you stand to him?

A.—He is my son.

Q.—Do you know Sir Hugh Allan?

A.—No. I never saw him to my knowledge

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Q.—Have you any knowledge of a negotiation in which Mr. G. W. McMullen your son was engaged, in relation to the building of the Pacific Railway?

A.—I have some knowledge, the most of which I may say I have gathered from what has been published in the press.

Q.—Have you any other knowledge of a personal character, in regard to this matter, which has come under your personal notice?

A.—None that I am aware of.

I may remark for the information of the Commission, that in the absence of my sons I have a heavy burden of domestic care on my hands in the position which I have occupied for a great many years. I have always had great confidence in the ability of my son to manage any business which he understood. I have never sought information from him unless it was under very pressing circumstances, and then it was done chiefly to relieve myself of the burden and care which at this time of life I was not prepared to bear.

Q.—Has your son been in communication with you in respect to this matter?

A.—No; I know nothing beyond what I have read in the public press.

He has always been very remarkable since early boyhood in business matters, and was always close, and he seldom disclosed any business transaction to the members of my own family.

Q.—Has he been in the habit of communicating or consulting with you?

A.—Not in matters of that kind.

Q.—Has he communicated to you anything in connection with the construction of the Pacific Railway?

A.—I have no recollection of any communication of that kind except at the period at which it was decided and settled that the Government would exclude the American element from the Company, and that the gentlemen for whom he was acting would have no share in the building of the Railway, and supposing that he had spent a very large portion of his time, and that heavy expenses had been connected with it, which he was not well able to lose, and that money had been expended through him on behalf of the persons for whom he was acting, I felt some anxiety lest he might incur some censure for want of energy and fidelity in dealing with the interests of others. I therefore took the liberty—the only time that I think I did make any inquiry into his business matters—of asking him what arrangement was likely to be made for indemnifying himself, and especially the parties for whom he had been acting, so that he would not be exposed to any censure. He assured me that he was fully persuaded and was then in process by which the parties for whom he had acted would be indemnified for the time and expenses he had incurred. I believe that was the only question that I asked him.

Q.—How did you become aware of the expenditure of money by him?

A.—I became aware of it by supposition; I supposed that he would incur expense in dealing with this matter, but I have no recollection of him telling me that he did. I inquired of him in order to relieve my own mind, but it is very little I know intimately or accurately, respecting the whole affair, except what I have gathered from what has been published in the public prints.

Q.—Did he communicate to you any correspondence during the time that it was going on or hold any communication with you on the subject of it?

A.—I don't recollect that he described any of his correspondence, and I did not ask for any, as I thought it would be interfering, and that perhaps he would feel reluctant to communicate to me anything on the subject, and I was therefore a good deal cautious on that ground.

It might naturally be thought that I would be intimately acquainted with those matters, but I am not for various reasons, especially those that I have stated. I had enough else to burden my mind and employ my thoughts and attention, and I studiously endeavoured to avoid inducing him to communicate anything to me on the subject.

Q.—You never saw any of the originals of this correspondence, did you?

A.—No.

Q.—Can you account, Mr. McMullen, for your name being included in the list of witnesses; are you in possession of any knowledge that would account for it to your own mind?

A.—The only reason that I am aware of is the close of the speech made by Mr. Huntington at the prorogation. I read it, but I could not give it in detail.

But he made the remark there, assigning his reason for placing my name on the list of witnesses.

Q.—Can you recollect what that reason was in general terms?

A.—I think he expressed some fear, or suggested to the Committee that perhaps my

son might absent himself when called upon to give testimony, and he thought it would be better to secure some member of the family—his father or some of his brothers—that is the only reason that I am aware of.

I am not aware of the reason assigned by the Commission by whom I have been summoned to appear. If there is, I have not seen it. I inferred that the reason mentioned by Mr. Huntington had influenced them.

Q.—Is there any other Daniel McMullen?

A.—I have a son who bears my name that has been some eight or nine years in Parliament. His name is Daniel Y. I have but one name. His name is Daniel Yure McMullen. He resides in Chicago.

I am a minister of the Wesleyan Methodist Church. I am not in possession of a regular charge. The state of my health obliges me to hold a retired position.

My son, Daniel Y. McMullen, is now in attendance here. It happened that at the time I was summoned to appear here he had come on a visit home to his friends, and he came with me.

I am a stranger in Ottawa. I have resided sixty odd years in Canada, since 1811. I am intimately acquainted with the western part of the Province, but this is my first visit to Ottawa.

To Sir John A. Macdonald, through the Chairman:

Q.—Do you know where your son, George W. McMullen, is now?

A.—He is in Chicago; he is there now. He went there some three or four weeks ago. He had been in Pictou before that.

Q.—Is his residence in Pictou or Chicago?

A.—His residence and domicile is in Chicago.

Q.—How long was he in Pictou before he went to Chicago?

A.—Three or four weeks; I could not tell to the day.

And further deponent saith not, and this his deposition being read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the eleventh day of September, 1873, and acknowledged on the twelfth of said month and year.

(Signed) D. McMULLEN.

(Signed)

CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

DANIEL Y. McMULLEN, of the City of Chicago, who being duly sworn, deposeth and saith:—

Q.—Are you the son of the last witness, Daniel McMullen?

A.—Yes.

Q.—Are you a brother of George W. McMullen?

A.—Yes.

I reside in Chicago.

Q.—What business are you engaged in there?

A.—Banking.

Q.—Are you alone or in co-partnership with any person?

A.—My brothers and myself are together.

Q.—Do you know Sir Hugh Allan?

A.—No.

Q.—Have you any knowledge of an agreement or negotiation in which your brother was engaged in 1871, in relation to the construction of the Pacific Railway?

A.—Yes.

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Q.—What is the nature of your knowledge concerning this agreement, is it a personal knowledge or simply derived from what others have told you?

A.—It is both.

Q.—Will you state what personal knowledge you have of it?

A.—I saw the original contract between the American parties and Sir Hugh Allan. I also saw and read quite a large number of Sir Hugh Allan's letters, and I saw nearly all of the documentary evidence that he has or had, that is all the personal knowledge I have; that is the documentary evidence. I saw the original contract that was signed, I believe in New York. The personal knowledge is all documentary, that is with parties directly interested.

Q.—Can you specify any letters which you saw from Sir Hugh Allan?

A.—I could not specify any of them so that you would understand what I meant, except the first letter that he wrote from Montreal. I cannot specify them by date. They were dated along from some time in the fall of 1871, up to the fall of 1872. They date from the beginning of the negotiation in 1871 previous to the elections, till about the first Session of this Parliament.

Q.—Do you know Sir Hugh Allan's handwriting?

A.—I think I would know it. I have no positive knowledge that the signature I saw was his, but the letters came signed Hugh Allan. Part of letters were addressed to C. M. Smith of Chicago, and part were addressed to my brother.

Q.—Do you know in whose possession those letters are now that you speak of?

A.—The only knowledge that I have as to the place of them is from newspaper reports.

Q.—Do you know whether they are or are not in your brother's possession?

A.—They are not in his possession.

Q.—Do you know how he disposed of them?

A.—I only know what he told me. I have no personal knowledge as to how he disposed of them. I can only tell you what he said he did with them.

Q.—What did he say he did with them?

A.—He said they constituted the package in Mr. Starnes' hands in Montreal.

Q.—Did he say that all the letters he had were in that package?

A.—All of the principal were there he said.

Q.—What means have you of knowing Sir Hugh Allan's handwriting?

A.—No means at all, only that I know that my brother addressed letters to him, and that letters came back signed Hugh Allan, addressed to my brother.

Q.—How do you know that your brother wrote to Sir Hugh Allan?

A.—I have seen letters written by my brother addressed to him.

Q.—Did you ever see the parcel which your brother said he gave into Mr. Starnes' hands?

A.—No.

Q.—Can you designate any particular letters which you believe to be from Sir Hugh Allan, besides the one you have mentioned as the first one?

A.—By dates?

Q.—In any way they can be identified.

A.—There were several important letters, in one of which he gave a rough sketch of the sums of money he had expended; and one of the last letters my brother received was in regard to the exclusion of the American element from the Company; and there was another letter, I don't know whether it was in the package or not, giving the amount of stock to be placed in the different parts of Canada.

Q.—What was the subject matter of the first letter to which you allude?

A.—The first letter that I ever saw from Sir Hugh Allan was addressed to C. M. Smith. It merely stated that his address had been given to him by a member of the Government, and that he thought that the time had arrived for the American and Canadian parties to get together.

A letter is shown to witness.

Q.—Is that the letter to which you refer?

A.—No, this is not the letter. The letter that opened the correspondence was written from Montreal, this is written from London. I think it was in 1871, and previous to Sir Hugh Allan sailing for Europe. The one now shown to me was written after the negotiations had proceeded several months.

Q.—Is that the letter you mean now shown to you?

A.—No, it is anterior to that. The first letter that opened the correspondence, I think, was written either in May or June of 1871.

Q.—To whom was that letter addressed?

A.—To Charles M. Smith.

Q.—Did Mr. G. W. McMullen tell you that that letter was included in the package placed in Mr. Starnes' hands?

A.—He told me that the package contained all the letters of importance. He did not indicate to me any special letters.

Q.—Are you confident with respect to the date of it?

A.—The only means I have of knowing is that the negotiations had proceeded some two or three months before the Chicago fire, and that was in October, 1871.

Q.—There are some letters addressed to Mr. Smith in this package; through whom were they obtained from Mr. Smith?

A.—I presume they were given to my brother. The relations between Mr. Smith and my brother and myself are so intimate, that all the correspondence was communicated to us. I handled all the letters of Mr. Smith as well as my brother's, and Mr. Smith handled all my brother's letters in reference to this matter.

Q.—How nearly can you particularize the date in regard to this matter? If you cannot say the day, say the month?

A.—I think it was early in May, 1871.

Q.—You don't know where that letter is now?

A.—It was not considered of sufficient importance to take much care of.

Q.—What other letter do you recollect?

A.—There was a letter detailing the sums of money that Sir Hugh Allan had spent.

Q.—Do you remember the date of that?

A.—I think it was in February. It was in January or February, 1872.

Q.—Here is a letter which reads as follows: "It seems pretty certain that in addition to money payments, the following stock will have to be distributed: To D. L. Macpherson, \$100,000," &c. Is this the letter you refer to?

A.—No, it is another letter. I said that I recollected that letter in addition to the other.

Q.—"On whom am I to draw for money." Is that the letter?

A.—I believe that is the letter. On examining it I see that this is the other letter. I recollect this letter. This does not refer to the appropriation of stock in Canada. This is one of the letters that I recollect as having been received by Mr. Smith as coming from Sir Hugh Allan. I saw it after Mr. Smith received it. Within a day or two after he received it, he either called at our office or we called at his office, and all these letters were read by both parties.

Q.—Look at that letter dated 16th September, 1872, and say if it is the letter you refer to relating to the money?

A.—Yes, this is the letter.

Q.—Are there any other letters you can remember of?

A.—I believe that there were two letters that came from Sir Hugh Allan in regard to the breaking up of the arrangements in the fall of 1872. I scarcely think they are in the package, but they may be.

Q.—Why don't you think they were in the package?

A.—Because they did not consider them of sufficient importance.

Q.—Sufficient importance for what?

A.—In regard to the scheme; when he put the letters in the package, he put in all the letters that had important matters in them, in regard to the negotiations, but I don't think he put them in; that is letters which close the negotiations. They were too short and abrupt. The letter dated 11th November is one that was in the package.

Q.—Look at the other letter now shown to you, and say if that is one of the letters you have alluded to.

A.—Yes, both of the letters now shown me are the two letters I have spoken of.

Q.—Do these complete the whole series?

A.—Yes.

Q.—You said there were two letters, which were not thought important, and that you did not suppose they were in the package?

A.—Excuse me, I said that they were not important, I meant my brother told me, he had put in all the important letters, and from my recollections, I suppose he considered them of little importance, but I see he has put them in.

Q.—Have you copies of all correspondence that passed?

A.—No.

Q.—Has your brother?

A.—Not to my knowledge.

Q.—Do you keep a letter book?

A.—Yes.

Q.—Do you copy important letters received and sent?

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A.—These letters were never copied. We keep a letter book in which we usually take copies of letters received and sent. They may have been copied by hand. Nearly all of the letters that my brother wrote, either he or I usually copied them in letter form.

Q.—Were they in a particular book?

A.—Not in a book at all, but on a sheet of paper.

Q.—Are these copies in existence?

A.—I don't know that they are.

Q.—Were copies of the letters despatched by you kept?

A.—Yes, it is the copies despatched by us that I refer to.

Q.—Were the letters received copied?

A.—No, they were simply filed away. After the contents of the letters received were known to two or three interested in the scheme, my brother usually took charge of them himself.

Q.—Do you know of any interviews that your brother had with Sir Hugh Allan or anybody else in reference to these matters?

A.—Only what he told me. The only person he ever consulted in my presence were one or two gentlemen in Toronto. It was on one occasion when I was with him in Toronto. We met Mr. James Beaty and his nephew. They were the only persons that we conversed with when I was present.

Q.—You have never been present at any interviews between him and Sir Hugh Allan, or any other person representing Sir Hugh Allan?

A.—I was present at one or two interviews that he had with Mr. Waddington and Mr. Kersteman, in Chicago, but I did not consider that they were themselves directly interested. That was at the very opening of the negotiations.

I live in Chicago. I have been recently in Pictou. I left Chicago on Sunday night. My brother was there at that time. He had not received any subpoena when I saw him.

Q.—Do you know anything more about this matter of your own personal knowledge?

A.—Nothing but the terms of the contract. I saw the contract between the New York parties, my brother, Mr. Smith, and Sir Hugh Allan.

Q.—What date was that?

A.—It is a year since I saw it. I think it was in the fall of 1871. I cannot designate the date.

Q.—Was the contract dated?

A.—I cannot swear positively that it was dated. I have merely reference to the time that it was signed.

Q.—Did you see it signed?

A.—No.

Q.—How can you say it was signed, if you did not see it signed?

A.—I know it was signed between the time that my brother left Chicago and came back, and brought the contract with him.

Q.—Did he prepare a contract before he left Chicago?

A.—He prepared a memorandum on which to make the contract.

Q.—The instrument that you saw apparently signed, was it the instrument that he brought back with him?

A.—I never saw that instrument until after he came back. I have merely his word for it that it was signed.

Q.—Can you say the date?

A.—No, I cannot.

Q.—Have you no recollection at all?

A.—My recollection of the date is, that it was either in December or the last of November, 1871.

Q.—What names did the writing that you saw bear; what signatures were to it?

A.—The American names were W. B. Ogden, George W. Cass, Thomas Scott, Governor Smith of Vermont, and W. G. Fargo.

The majority of these gentlemen live in New York.

Q.—Were these all?

A.—No; Winslow Lanier and Co., I believe, signed. I understood that their signatures stood for a number of other parties, and the President's, I do not remember his name, of the United States and Adams Express Company.

Q.—Did the contract purport to bear Sir Hugh Allan's signature?

A.—Yes; there was the signature—Sir Hugh Allan, my brother, and C. M. Smith.

Q.—At what time did your brother leave for the purpose of procuring this contract?

A.—He left very soon after Sir Hugh Allan returned from England in the fall of 1871—I think it was in the last of November.

Q.—What time did your brother return?

A.—He returned immediately after the holidays.

Q.—How many days was he away?

A.—He was away about five or six weeks, to the best of my recollection.

Q.—Do I understand you to say that he did not frame the contract, but notes upon which the contract was to be framed?

A.—I said he prepared a memorandum for the contract, with the view to a full contract.

Q.—Was it signed by Sir Hugh Allan—you do not know?

A.—I did not see these parties sign.

Q.—Do you know where that instrument is now?

A.—I believe it is in my office.

Q.—Is it there?

A.—I have only my brother's words for it, that a package of papers in the vault contains all these papers. I have not seen it since a year ago.

Q.—Did you see your brother place it in the vault then?

A.—No.

Q.—Did he show it to you himself, or did you ask to see it?

A.—He showed it to me voluntarily, as he did all the documents.

Q.—Are you interested in his business?

A.—We are partners.

Q.—Did he put the document into his package after he had shown it to you?

A.—When he showed it to me we were in Pictou. He went soon after to Chicago, and I have never seen the contract since.

Q.—How soon after you left Chicago did you see him in Pictou?

A.—It was several months. He left Chicago for the purpose of getting this contract signed, and it was afterwards that I saw him in Pictou.

Q.—Had you not seen him in the meantime?

A.—He came to Chicago and returned. The document, as I understood him, remained in New York for some time, and he afterwards went to New York to get it, and it was when passing through Pictou that he showed me the Contract. That was the first, and only time I saw it.

Q.—Do you know what endorsement was on the package given to Mr. Starnes?

A.—No.

Q.—Do you not know anything of it?

A.—All I know of the package is that he told me that the letters were in the package, and that there were two notes addressed to Mr. Starnes, to govern him and his action in regard to the delivery of them.

To Sir John A. Macdonald, through the Chairman:

Q.—You are a partner of George W. McMullen?

A.—Yes.

Q.—I think you have stated that you are intimately acquainted with all the proceedings and arrangements between your brother and Mr. Smith?

A.—Yes.

Q.—Who else in Chicago are interested?

A.—There was Mr. Hurlbert, who assisted somewhat in the negotiations as a friend of Mr. Smith. Our relations with Mr. Hurlbert were not very intimate. We did not consider that he was really negotiating.

Q.—Did you see those letters as they were published in the 'Montreal Herald'?

A.—I saw them published in the 'Globe,' but not in the 'Herald.'

Q.—Do you know who gave them to the 'Herald' to be published?

A.—No.

Q.—Did your brother not tell you?

A.—No.

Q.—Have you any knowledge?

A.—No, I do not know—I never heard.

Q.—Have you any suspicion?

A.—I have not.

Q.—Do you swear that you do not know?

A.—Yes.

Q.—Are you your brother's partner?

A.—Yes.

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Q.—Have you seen all the correspondence from end to end?

A.—Yes.

Q.—And yet you have not the slightest idea how these letters got into the 'Montreal Herald' or 'Toronto Globe'?

A.—No.

Q.—Do you swear to that?

A.—I do.

Q.—Did you never hear of your brother giving copies of these letters to anyone?

A.—No.

Q.—Did you never hear of his giving copies to me?

A.—He told me that he showed them to you.

Q.—Do you not remember in one of his letters of his having said that he gave copies to me?

A.—I do not recollect.

Q.—Did he never tell you about giving copies to Mr. Huntington, to Mr. Foster, or to anybody else?

A.—No.

Q.—Have you read your brother's letters that were published?

A.—I have read most of them.

Q.—Do you remember in one of his letters that he said he had given copies of them to me?

A.—My recollection is that in the interview with you he showed you the letters. He never said to me that he had given copies of them to anyone.

Q.—Do you know how much he was to get for putting this correspondence into Mr. Starnes' hands?

A.—I have no recollection of his telling me directly.

Q.—Although you are in business relations with him, you don't know whether he got \$20,000 or 20,000 pence?

A.—At the time he gave these letters I was out of the city at a branch office in another part of the State. I know from hearsay what he got, but he did not tell me.

Q.—Was it from Mr. Smith or Mr. Hurlburt?

A.—No. It was from another brother who wrote me while I was absent from the city.

Q.—How much did you get of these \$20,000?

A.—Nothing.

Q.—Does not this amount of \$20,000 appear in your books?

A.—No.

Q.—You have no interest in that money?

A.—No, I got no share or interest in it.

Q.—And yet you are a partner with your brother and Mr. Smith in all the Pacific Railway matter?

A.—Yes. I said that I was interested in the proceedings. But as far as this money was concerned, I had no share whatever. Our partnership received none. The \$20,000 were divided round for current expenses. Mr. Smith got some, and Mr. Hurlburt got some. It was divided among all those acting in the negotiation.

Q.—How did you know that this money was divided round for current expenses?

A.—I heard it from a letter I received from another brother, who was in Chicago when my brother came home.

Q.—Did you ever hear about a \$17,000 cheque that was contained in the same letter?

A.—Yes; I heard by the same means that there was a cheque for \$17,500; but I don't recollect what my brother told me about it. All I understood was with regard to the general arrangements about the package.

Q.—Did he tell you nothing about this cheque?

A.—He told me the other day that he would forfeit \$17,500.

Q.—How was he to forfeit this money?

A.—He said that if the package was given over to Sir Hugh Allan before a certain time after the closing of last Session of Parliament he would forfeit \$17,500.

Q.—Did he tell you that if the letters were published by him, he would forfeit \$17,500?

A.—No.

Q.—Did he not tell you that if any of the negotiations came out until after a certain time he would forfeit \$17,500?

A.—No.

Q.—Did he not tell you about \$25,000 that he was to get from Mr. Huntington?

A.—No.

Q.—He did not?

A.—No. He told me that no one ever gave him a cent.

Q.—He told you that, but he did not tell you about the other matter?

A.—He told me about that, but he knew that I had heard about the other matter from my other brother.

Q.—You say that the package contained all the letters of importance, do you know if there were other letters?

A.—I have no knowledge of any others. My brother did not say that it contained all the letters, and I have no knowledge as to whether the package contained all the letters or not.

And further for the present deponent saith not.

And on the twelfth day of September, 1873, re-appeared the said witness, and made the following alterations and additions to the foregoing deposition.

I wish to add that the letters, which passed between Sir Hugh Allan and my brother, date from the beginning of the negotiations, in 1871, until the close of the first Session of Parliament—also in answer to the question, “Why don’t you think that certain letters “are in the package?”

I wish to change the word *they* in my answer to *I*, making it read, “Because I did not “consider them of sufficient importance.”

I desire also to add, that the conversation I refer to, with my brother, with regard to the forfeiting \$17,500, took place a few weeks ago, and that my brother told me that if the Committee was dissolved, and the package fell into Sir Hugh Allan’s hands, he would forfeit \$17,500.

On another point I have been thinking over in my mind, since my examination, and I now remember that my brother and myself had two conversations.

The contract that he showed me at the interview, at Pictou, was a private one between himself and his New York partner.

The contract between the American parties and Sir Hugh Allan was shown to me at Chicago.

I wish to add further that when I saw the charges in the newspapers, that my brother was a paid witness, or something to that effect, I questioned to know if he had received any remuneration. He replied he had not received one cent, and would not even accept his current expenses.

Q.—I think you said that you saw in your brother’s possession, either received by him directly or from other parties, all the evidence that was published in the newspapers, is that so?

A.—I said that I saw the letters that were published in the ‘Globe.’

Q.—Did you see the telegrams that were published?

A.—I saw them after they were published.

Q.—You did not see them before?

A.—No.

Q.—Not any one of them?

A.—Not any telegrams published in connection with his letter. I never saw any of them except in print.

Q.—There is a copy of an alleged telegram from Sir John A. Macdonald to Mr. Abbott, which was published; did you see the original of that?

A.—No.

Q.—Did you see the original of one purporting to be from Mr. Abbott to Sir John A. Macdonald, which has been published?

A.—Not except in print.

Q.—Have you any knowledge in respect to how they were acquired?

A.—No.

Q.—Can you give the Commission any further information on this subject?

A.—I asked my brother how he got those telegrams, and he said he might tell me some time, but he would not then.

Q.—You never saw any of the originals of the telegrams that appeared?

A.—I never saw them till they appeared in print, and I did not know that my brother had them.

Q.—There is a letter from Sir George E. Cartier published also, did you see that?

A.—No.

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To Sir John A. Macdonald, through the Chairman :

Q.—Have you seen any other papers connected with the subject of this inquiry further than Sir Hugh Allan's correspondence, and the contract you have spoken of?

A.—Not that I have any recollection of.

Q.—You have not seen any of the papers attached to your brother's second letter I mean the telegrams spoken of by one of the Commissioners?

A.—I don't recollect which was his second letter. On being informed, I say that I never saw these telegrams till I saw them in print.

Q.—When did your brother tell you that he would inform you at some future time where he got these telegrams?

A.—I don't recollect the exact date. It was after the letter appeared. It was in Chicago he told me.

Q.—You had seen all the other papers yourself?

A.—I saw the correspondence.

Q.—But he withheld these telegrams from you, you say?

A.—Yes, I never saw them.

Q.—You asked him where he got them?

A.—Yes, I asked where he got the telegrams, and he said that he would probably tell me sometime.

Q.—You did not press the question after?

A.—No. I thought it was of no use pressing it.

And further deponent saith not, and this his deposition having been read by him he declares that it contains the truth, persists therein, and hath signed.

Sworn, and taken in part on the eleventh day of }
September, 1873, and the remainder } (Signed) DANIEL Y. McMULLEN.
taken and the whole acknowledged on }
the twelfth day of said month and year.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On the twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable JEAN CHARLES CHAPAIS, of the Parish of St Denis, in the Province of Quebec, who being duly sworn, deposeth and saith:

I am Senator of the Dominion of Canada for the Province of Quebec, and a member of the Legislature. I was one of the Dominion Ministers from the time of Confederation up to 25th January last, when I handed in my resignation.

JUDGE POLETTE—I will read the first part of the charge:

“That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself, and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain percentage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh Allan at its head.”

Q.—Have you any knowledge of the arrangement there referred to?

A.—Having heard the charge read, I declare that I have no knowledge of it whatever. I know nothing of any, except what I saw in the press, and the legislation referred to in Mr. Huntington's charge took place without there being any such arrangement. I did not learn of any such arrangement being in existence while I was a member of the Dominion Government, nor did I hear of any conversations to that effect. I do not know

of any negotiations having taken place with any member of the Government. Several conversations occurred relative to the means to be taken to procure the money necessary for the construction of the Pacific Railway, but I do not know that mention was particularly made of any such arrangements as that referred to in the deed; in all these conversations I always understood that the general desire was that the Pacific Railway should be built with British capital. I never had any interview on the subject with Sir Hugh, nor do I know that any other member of the Government had any in respect of this matter.

JUDGE POLETTE—I will now read another part of the charge:

“That subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters, at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway.”

Q.—Have you any knowledge of that sort?

A.—No; I do not know of any sum having been advanced to the Government for election purposes.

Q.—Do you know of any promise of money having been made?

A.—No; no such promise was ever made to me.

Q.—Was it ever said that any member of the Government had received money to assist in the elections?

A.—It was never said before me.

It is always understood that elections cannot be carried on without money. I understood money was subscribed by the friends of the candidates, but no sum of money was derived for the service suggested. When I speak of aiding the elections, I mean the money that is spent legally.

I do not know if any money was subscribed for the elections of Montreal, except from what has appeared in the press.

Q.—Do you know Sir Hugh Allan?

A.—I know him a little. We have never spoken but twice. Those conversations were not relative to the Pacific Railway. If that subject was ever mentioned, it was in so light and incidental a manner that I never thought anything of it. I think it quite possible that I mentioned it to him on the cars, and I may have asked him “what progress are you making with your Pacific Railway project?”

I knew that Sir Hugh Allan had an interest in the construction of the Pacific Railway, because on one occasion there was a question before me regarding an Act of Incorporation.

The circumstance to which I allude is this: Sir Hugh Allan was one day introduced in the Council Chamber, when I was present, and he expressed there his intention to take an interest in the construction of the Pacific Railway. I think this was in the autumn months of 1871. There had at that time been no legislation on the subject of this railway, but the matter was being discussed. There were only a few words exchanged at that time, only sufficient to give me to understand what I have just mentioned.

There were other Ministers present.

The means were not spoken of at that time for building the Pacific Railway.

I do not remember who were the Ministers present, but I am certain the Prime Minister was there.

Sir Hugh Allan never spoke to me of the election fund.

I did not know he had subscribed until I saw it in the newspapers; I never heard of it from him nor any one else.

I never had any conversation with Mr. Abbott on the subject of moneys to be subscribed by Sir Hugh Allan for the elections, and have no knowledge of any conversation of that kind between him and any other person.

Q.—Were you ever informed of the alleged facts into which this Commission is enjoined to inquire?

A.—No; there was nothing that could lead me to suspect that any such facts were true. I think if they were true I would have known them as a Minister.

By Mr. LANGEVIN, through the Chairman:

Q.—Could you say what was the opinion of the members of the Government on the subject of the construction of the Pacific Railway by Americans and with American capital?

A.—With the exception of one of the Ministers, whom it is not necessary to mention, the Ministers were hostile to the construction of the Pacific Railway by Americans and with American capital.

Q.—Can you state the name of the Minister who was considered favourable to the

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Americans in connection with the construction of the Pacific Railway with American capital?

A.—I understand Sir Francis Hincks was not unfavourable to that.

Q.—Do you know particularly if Sir George Cartier was opposed to the construction of the Pacific Railway with American capital?

A.—I have heard Sir George Cartier energetically oppose such a course, and I may here say the same for myself.

Q.—Can you say if the negotiations for granting the Charter to the Company now chartered to construct the Pacific Railway, were anterior to or after the general elections?

A.—These arrangements were posterior to the elections.

Q.—Is it correct that after the general elections the Government did all they could do to convince Sir Hugh Allan and Senator Macpherson, as representing the two incorporated Companies, to consent to an amalgamation of the two Companies, as provided for by the Act authorizing the Government to grant a Charter for building the Railway?

A.—The greatest efforts were made by the Government, and the greatest persuasion was used to induce the interested parties in the two Companies to agree to amalgamation for the building of the road, and it was only after the impossibility of arriving at such an agreement that the Government used the means which the law gave them to exercise in the presence of such an emergency.

Q.—In granting the Charter of the Company which now exists, do you know if the Government had in view the special interests of Sir Hugh Allan; or if, on the contrary, the Government did not do all it could to ensure the construction of the railway by means of a Company capable apparently of securing a representation of the federal interests of the Dominion?

A.—From the commencement to the end the efforts of the Government were constant to form a Company which would afford the best guarantee for the completion of that great work. Those efforts tended to conciliate, as far as possible, the opposing interests of the two Provinces, the most important in the Dominion, I mean Ontario and Quebec; and to that end we chose the organization of the Company now existing, the names affording the best guarantee that the work will be accomplished. We considered the desirability of introducing into the new Company the names which appeared in both Acts of Incorporation of the Company.

Q.—Can you state positively that before the general elections there was no agreement between Sir Hugh Allan and the Government on the subject of the construction of the Pacific Railway?

A.—In my recollection as a member of the Government, there never was any such agreement.

Q.—By the PRESIDENT: Can you say whether Sir Francis Hincks continued to hold his first opinions about American capital, or whether he surrendered them subsequently?

A.—Yes; he gave up his own opinions afterwards, and coincided in the views of his colleagues.

And the said deponent saith nothing more for the present.

On the thirteenth day of September, 1873, the witness again appeared and desired to add the following to his deposition:

At the time of the interview between Sir Hugh Allan and some members of the Cabinet, of which I have above spoken, he was accompanied by two persons named respectively Smith and McMullen. After the usual introduction, the question of the Pacific was mentioned by them. As well as I can remember, the following was the substance of the short conversation which took place on this subject. Sir John A. Macdonald inquired if they had anything to say. To this they replied as follows:—"In case propositions are made to the Government, are they ready to discuss them?" On Sir John replying in the negative, the gentlemen said that under these circumstances they had nothing to say. And the interview thus terminated.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, and taken on this twelfth day of
September, acknowledged 13th
September, one thousand eight
hundred and seventy three.

(Signed) JEAN CHARLES CHAPAIS.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

CANADA.
 —

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three personally came and appeared before us, the above-named Commissioners,

The Honourable MATTHEW HENRY COCHRANE, of Compton, in the Province of Quebec, who being duly sworn, depose and saith:—

I reside in Compton, Quebec.

My occupation there is farmer and stock breeder.

I am a member of the Senate.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

Q.—Have you any knowledge of any agreement or negotiation between Sir Hugh Allan and Mr. McMullen in relation to the construction of the Canada Pacific Railway at any time?

A.—None whatever.

Q.—Have you at any time heard any member of the Government or Sir Hugh Allan himself make any reference to the existence of any such agreement or negotiation?

A.—Not to my knowledge.

Q.—Were you, from the nature of your occupation, or from any particular position you were in, likely to become acquainted with negotiations of that character?

A.—I might.

Q.—Have you had any conversation with any of the members of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?

A.—I have not.

Q.—Have you any knowledge of an understanding between Sir Hugh Allan, Mr. Abbott, and the Government, or any members of the Government, for the supplying of money to aid in the election of Ministers and their supporters in the general elections of 1872?

A.—None, aside from what was in the public press; nothing else.

Q.—Has anything in any way come to your knowledge which would lead you to believe that there was such an understanding?

A.—None.

Q.—Did you take an active interest or part in the elections of 1872?

A.—I was interested in them; but I was on no committee whatever.

Q.—Do you know of the subscription of any sums of money for the carrying on of these elections?

A.—One small sum only.

Q.—Was that in the city of Montreal or in the neighbourhood where you live?

A.—It was in Montreal.

Q.—Was that sum subscribed by Sir Hugh Allan?

A.—It was not.

Q.—Do you know what amount was subscribed in Montreal for the promotion of the elections?

A.—I do not.

Q.—Do you know whether Sir Hugh Allan added to that subscription in any way?

A.—I don't, of my own knowledge.

Q.—Have you any knowledge that anybody else, besides this one person whom you have alluded to, subscribed?

A.—I have not.

Q.—Have you any objection to state who he was?

A.—It was the firm of Smith, Cochrane & Co., of which I am a partner. We have been in the habit of doing so at all the general elections, and have been doing it for many years past.

Q.—Have you any knowledge of the matters to be inquired into by this Commission? any knowledge relating to the construction of the Pacific Railway, or to the furnishing of money for the elections, which you have not stated, and which may be of use to us?

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A.—I was one of the Provisional Directors of the Interoceanic Company.

Q.—Are you aware of the negotiations which took place for an amalgamation between that Company and the Canada Pacific Railway Company?

A.—Only what I have learned from the press. I never met the Directors but once, and that was in June of 1872, in Toronto. That was before these negotiations took place.

Q.—Do you know why these negotiations failed; why the amalgamation did not take place?

A.—I don't further than what I see in the press.

Q.—Are you aware that your name was put down on the list of witnesses?

A.—I am not.

Q.—Have you any idea what information or what kind of information was expected to be derived from your testimony?

A.—I have not; I have no idea unless it was because I was one of the Provisional Directors in the Interoceanic Company.

To Sir John A. Macdonald, through the Chairman.

I have no idea why I was put on Mr. Huntington's list of witnesses. I never had any conversation with Mr. Huntington on this matter except in a joking way after he had made his charges.

There was nothing said by me that would lead him to believe that I knew anything about this matter; not the slightest.

And further deponent saith not for the present.

And on this thirteenth day of September, 1873, the witness re-appeared and made the following addition to his foregoing deposition: I wish to add to my answer to the question—"Have you had any conversation with any member of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?"—the following: On the contrary, I have repeatedly heard one member of the Government say that on no condition would Americans be allowed to have any control.

Q.—What member of the Government said so, and at what time and where was it said?

A.—It was the Honourable Mr. Pope, in the fall of 1872, on several occasions at Ottawa, and also at Montreal.

And further deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of
September, 1873, and acknowledged
on the thirteenth day of said month
and year.

(Signed) M. H. COCHRANE.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

FREDERICK WILLIAM CUMBERLAND, of the City of Toronto, who being duly sworn, deposeth and saith:

Q.—Where is your place of residence?

A.—Toronto.

Q.—What is your occupation there?

A.—Managing Director of the Northern Railway.

Q.—Do you know Sir Hugh Allan?

A.—I do.

Q.—Do you know Mr. George McMullen?

A.—I do not.

Q.—Have you any knowledge of any agreement or any negotiations between these gentlemen in relation to the building of the Canada Pacific Railway with American capital?

A.—I have not.

Q.—Have you any knowledge of any negotiations in relation to the construction of the Pacific Railway in the winter of 1872, or the autumn of 1871?

A.—Yes.

Q.—Will you state what that knowledge was?

A.—Do you mean negotiations between other parties, or negotiations in which I myself was engaged?

Answer by Commissioner.

I mean negotiations in which Sir Hugh Allan was engaged.

Answer by witness.

None whatever, except for the purpose of the amalgamation of the Interoceanic Company with that of the Canada Pacific.

Q.—Had you any knowledge of any negotiations having for their object the construction of the Pacific Railway with American capital at any time?

A.—None.

Q.—Were you a Provisional Director of the Canada Pacific Company, that was incorporated in the Session of 1872?

A.—I was a Provisional Director of the Interoceanic Company that was incorporated during that Session, but not of the other.

Q.—Was the Interoceanic Company in some sense the rival of the other Company?

A.—It was the Company commonly known as the Macpherson Company.

Q.—Was it antagonistic to the other Company?

A.—Yes, it was the rival of Sir Hugh Allan's.

Q.—Are you a Director of the Canadian Pacific Railway Company—the one now chartered?

A.—I am.

Q.—Have you any knowledge of any negotiations which took place for the amalgamation of the Canada Pacific Railway Company and the Interoceanic Railway Company?

A.—I was aware of an effort being made to bring about that amalgamation, but before the efforts were exhausted I left for England.

Q.—Were there any negotiations between the two Companies having that end in view—the amalgamation?

A.—No, not to my knowledge. The negotiations to which I referred just now were those emanating from the Government. My opinion was sought by a member of the Government as to whether such an amalgamation was possible.

Q.—Who was that member?

A.—The Hon. Mr. Campbell, then Postmaster-General.

Q.—What was your impression as to his views on the subject?

A.—Mr. Campbell evinced very great anxiety to bring about an amalgamation, and asked my opinion as to the possibility of it, so far as I knew the opinions and views of my colleagues on the Interoceanic Board.

Q.—At what time did this conversation take place?

A.—I think it was about the end of October or early in November, 1872.

Q.—Did any amalgamation take place?

A.—No.

Q.—Why not?

A.—I cannot say of my own knowledge, because the efforts towards amalgamation had not been exhausted when I was obliged to leave for England, and I was not aware what course these events took after my interview with Mr. Campbell. I was aware that he acted in some measure upon my advice, my opinion being that an amalgamation was not impossible, and that the majority of my colleagues on the Interoceanic Board would consent to such an amalgamation, provided that they obtained a sufficient guarantee for the exclusion of American influence, to which I had already expressed our objection. Mr. Campbell told me that those guarantees would be given, and of a nature that would be quite satisfactory to us. I then, although recognizing personal difficulties as between Sir Hugh Allan and Mr. Macpherson, expressed the opinion that the majority of my colleagues on the Interoceanic Board would accept such a guarantee and consent to the amalgamation. That, however, did not prove to be correct.

Q.—Was any sufficient guarantee given to the Interoceanic Company?

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A.—In my opinion the guarantees that were then suggested by Mr. Campbell were amply sufficient.

Q.—They did not satisfy the Interoceanic Company, did they?

A.—I don't know. I think there were some personal reasons that probably offered additional obstacles.

Q.—How long were those negotiations going on, tending to the amalgamation of the two Companies?

A.—It must have been for a very short time, because I left, immediately after my interview with Mr. Campbell, for England.

Q.—Are you able to say when they began?

A.—My impression is that Mr. Campbell came to me first, so far as Toronto was concerned at any rate. I don't know that I am able to state the date of that conversation with accuracy, for I only remember it as immediately preceding my leaving for England. I think I left for England early in November.

Q.—Had you any conversation with any other Member of the Government on the subject?

A.—Yes. I had a conversation with Sir John A. Macdonald.

Q.—What was the purport of that conversation?

A.—It was after my interview with Mr. Campbell, and I think on my way to England; the conversation was somewhat similar to that which I held with Mr. Campbell. I think I told Sir John the purport of that conversation, and repeated my own views as to the possibility of an amalgamation.

Q.—Was there any conversation especially, as to the exclusion of American capital and of the American element altogether, in your interview with Sir John A. Macdonald?

A.—Yes; both with Mr. Campbell and Sir John A. Macdonald. I explained that the American element would have to be excluded, but I thought if there was a sufficient guarantee given as to that, an amalgamation might be effected.

So far as my knowledge goes, I understood that the Government always held the same views as to the desirability of amalgamation.

Q.—Have you any knowledge concerning the elections of 1872, in the Province of Quebec, particularly in Montreal?

A.—None.

Q.—Have you any knowledge of money being subscribed in aid of the elections of Ministers and their supporters, either in Quebec or Ontario?

A.—I have some knowledge of efforts being made for raising money for election purposes in Ontario.

Q.—Do you know whether Sir Hugh Allan contributed?

A.—I have no personal knowledge; I have learned it from hearsay, and from the newspapers, but I have no knowledge of my own.

Q.—Did that information come from any member of the Government, or from Sir Hugh Allan?

A.—No; from neither.

Q.—Were you on any of the election committees in Ontario?

A.—No, I was not.

Q.—I understood you to say that you know absolutely nothing of the elections in the Province of Quebec?

A.—Nothing whatever.

Q.—You don't know whether any money was subscribed by any party there?

A.—I do not.

Q.—Do you know of any money being received from Quebec for the purpose of elections in Ontario?

A.—No, I do not.

Q.—Am I right in understanding that the great standpoint of the Interoceanic Company was Canadian influence, and in so far as it was a rival and antagonistic to Sir Hugh Allan's scheme, it was supposed to exclude American influence. Was that the chief and prominent distinction?

A.—That appears in the papers to be the reply which the Interoceanic Company gave to the Government.

Q.—Was that the fact?

A.—There is not a question about it. There were some individual reasons also which offered obstacles.

Q.—Do you know anything about the chief object of the Interoceanic Company; was it based upon any principle, or was it merely with the object of making money or something else?

A.—I really don't know. I was invited to join it very early in its history. My impression is that at that time the idea of Canadian and British influence being employed in it was the basis.

Q.—You were subsequently appointed a director in the Chartered Company, the Canadian Pacific, were you not?

A.—Yes.

Q.—At whose instance were you appointed?

A.—I really don't know. The appointment was made during my absence in England.

Q.—It was a Government appointment, was it not?

A.—Yes.

Q.—Do you know how your name came to appear?

A.—I have no knowledge. I have my own suppositions. My suppositions are based upon a conversation that I had with Sir John A. Macdonald before I went to England. The subject of that conversation was to, in the event of amalgamation failing, who might be regarded in Ontario as reliable persons to serve upon the new Board.

Q.—Did he at that time give any indications that he desired you to act upon this Board?

A.—We considered a number of names as to their fitness, and Sir John did me the honour of asking my opinion, and in that list my own name was placed, and I then told Sir John that I gave him *carte blanche*.

Q.—You have been a long time connected with Railways?

A.—Yes.

Q.—You have the credit of being sharp in these matters?

A.—I had no desire to serve upon that Board.

Q.—Did you gather from Sir John's conversation that it was his desire to seek out competent persons?

A.—We parted with the understanding, that as far as I was concerned, if it was thought I could be useful or he desired that I should serve, he might use my name.

Q.—Were there any gentlemen from the Interoceanic Board named in this Canadian Pacific Company?

A.—Yes; Major Walker.

Q.—Any other?

A.—Mr. Walter Shanly.

Q.—Any other?

A.—I think there were four; I forget the last.

Q.—Who is Mr. Walker?

A.—He is a resident of London, Ontario, and largely interested in oil works in that neighbourhood.

Q. Mr. Shanly is an engineer, is he not?

A.—He is an engineer of the highest standing, and has large railway experience.

My impression is, that there were others who were on the Interoceanic Board appointed Directors of the Canadian Pacific Company, but at this moment I do not recollect them. Looking at the list I see there were Major Walker, Mr. Shanly, and myself—these are the only ones that I recognize from Ontario.

To Sir John A. Macdonald through the Chairman:

Q.—On this occasion, on which you and I had the conversation anterior to your going to England, do I understand that that conversation was as to the formation of a Board in case the amalgamation fell through?

A.—Yes.

Q.—And I was negotiating to get your opinion as to fitting representatives from Ontario on the Board of the Chartered Company? We considered a great many names, including your own, did we not?

A.—Yes.

Q.—You said that if you could be of use in the Company or out of the Company that I might use your name?

A.—I did.

Q.—You took part in the Elections in Ontario, did you not?

A.—I did.

Q.—In Toronto and vicinity?

A.—Yes.

Q.—Did you subscribe to the Elections at Ontario?

A.—I helped at the Elections pecuniarily.

Q.—In subscribing to the Elections, did you consider in any way that you were recompensing the Government for any interest in this railway.

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A.—Certainly I did not. I subscribed and paid as a member of the party. I may just add this that I expressed rather strong reasons originally when I was invited to go on the Interoceanic Board; and to yourself, I think, subsequently, with reference to the possibility of my name being placed on the Board of the present Company, and at that interview, anterior to my going to England, I said that I had no desire to serve upon that Board, that I saw nothing in it: That the terms then described by the Government were not such as to attract anybody to the work, but that I was willing to work as a public servant. I did not consider that the terms were sufficiently liberal.

Q.—You agreed to serve upon the Board if it was necessary, from public and patriotic motives?

A.—As a public servant. I saw nothing in it.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of }
September, 1873, and acknowledged } (Signed) F. W. CUMBERLAND.
on the thirteenth day of said month }
and year.

(Signed) CHARLES DEWEY DAY, Chairman.
A POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

DONALD MCINNES, of the City of Hamilton, Merchant, who being duly sworn, deposeth and saith:

I reside in the city of Hamilton. My occupation there is that of a merchant.

I know Sir Hugh Allan. I do not know Mr. Geo. McMullen.

Q.—Do you know of any negotiation carried on between these gentlemen, or of any agreement between them in the autumn of 1871 or the winter of 1872 for the purpose of building the Canada Pacific Railway with American capital?

A.—No; I know nothing about it. I may state that I think it was in the autumn of 1871, Sir Hugh Allan asked me whether I would consent to become a director of the Canada Pacific Railway, and I consented. I think he told me in general terms that he was negotiating with some American capitalists, but I know nothing whatever beyond that. I don't think he stated who they were.

Q.—Do you remember about the time this took place?

A.—No. I do not.

Q.—Can you fix about the time?

A.—I cannot charge my memory exactly. I remember the occasion. It was on the train between Cornwall and Montreal. We had been at Cornwall to attend the meeting of a manufacturing company, in which we were both interested, and it was on the way back to Montreal that we had this conversation.

I think it was about the latter end of 1871.

Q.—Had the winter set in?

A.—I think so.

Q.—Did he mention to you the name of Mr. McMullen?

A.—No. I don't think I ever heard of his name until it appeared in print recently.

Q.—Did you understand that any agreement had been made?

A.—No. I understood that no agreement had been made.

Q.—Were you one of the Provisional Directors of the Canada Pacific Railway?

A.—Yes.

Q.—In that capacity did it come to your knowledge that any negotiations were being carried on?

A.—No: it so happened that I never attended any of the meetings.

Q.—Have you had any conversation with any member of the Government that would lead you to think that such negotiations were going on?

A.—No.

Q.—Do you mean to say that you have no other knowledge than that which you have stated above in reference to these negotiations?

A.—None whatever, except, of course, what has recently appeared in the newspapers.

Q.—Are you a member of the present Canadian Pacific Company?

A.—Yes. I was named a Director when I was in England, by Sir John A. Macdonald.

Q.—Can you state why that Company was chartered, instead of the old Company, “the Canadian Pacific,” going on?

A.—No, I cannot state the exact reasons. I was absent in England when that Company was formed.

Q.—Have you any knowledge of any negotiations between the Canada Pacific Company and the Inter-oceanic Company with respect to an amalgamation?

A.—None except what appeared in the public papers.

Q.—You don’t know otherwise than from the public prints that such a negotiation was carried on between the two Companies?

A.—No; I may have heard it mentioned in conversation that such a thing was going on, but nothing beyond that.

Q.—Do you know whether there are any American capitalists among the Directors of the Canadian Pacific Company, or any American capital invested there?

A.—I am not aware of any.

Q.—Have you any knowledge, Mr. McInnes, of money having been subscribed for the support of Ministers and for the aiding of elections of Ministers and their supporters in 1872, at the general elections in Ontario?

A.—Yes; I know there was money subscribed in the constituency where I belong, and paid.

Q.—Do you know whether any money was subscribed by Sir Hugh Allan or Mr. Abbott?

A.—No; I do not know of any.

Q.—Was any money sent up from the Province of Quebec?

A.—None that I am aware of.

Q.—Have you any knowledge relating to the elections in the Province of Quebec?

A.—None whatever.

To Sir John A. Macdonald, through the Chairman:

Q.—I think you are one of the principal merchants in Hamilton?

A.—I am a merchant there.

Q.—It was in your capacity as being a merchant largely engaged in business that Sir Hugh Allan asked you to go on the Board of the Canada Pacific Company?

A.—I presume so.

Q.—And to get a representative from Ontario?

A.—I think so.

Q.—From whom did you first get any information of your being selected to serve on the Board of the Chartered Company?

A.—From yourself. I was in London at the time, and received the news by cable. I received no information other than from yourself. I answered accepting the appointment.

Q.—Have you any particular relations with Sir Hugh Allan?

A.—No, none. I am quite independent of him in business matters, except that we have a joint enterprise in Cornwall in a manufacturing Company.

I know of subscriptions being made at the last elections in Hamilton. That always happened at elections, unfortunately. I know that I subscribed.

Q.—On the right side, and at the right time?

A.—Yes; I did that of my own accord, and not on account of being on the Pacific Railway. Decidedly not. I did not show any great anxiety to get on that Board, or to be connected with that enterprise.

Q.—Was it altogether as a matter of duty and principle that you consented to serve on that Board?

A.—I felt that it was a great national undertaking, and if my services would be of any use in its promotion, that it was my duty to place them at the disposal of such a public work.

And on this thirteenth day of September, 1873, reappeared the said witness and made the following addition to his foregoing deposition:

I desire to add with respect to some correspondence which was published in the news-

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papers, in which my name was put as receiving by way of gift, as I understood it, the sum of \$50,000 of the Canada Pacific stock. I beg to state that Sir Hugh Allan, nor any one else, never made such an unworthy proposal to me.

And further deponeth saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September,
1873, and acknowledged on thirteenth day
of said month and year.

(Signed) D. McINNES.

(Signed)

CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

ROBERT N. HALL, of the Town of Sherbrooke, in the Province of Quebec, Advocate, who being duly sworn, depose and saith:

I reside in Sherbrooke. My profession is that of an advocate.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

Q.—Have you any knowledge of any negotiation or agreement between Sir Hugh Allan and Mr. McMullen, relating to the construction of the Pacific Railway?

A.—Not the least, no knowledge of it whatever.

Q.—Have you ever had any conversation with any member of the Government in relation to any such agreement?

A.—I have not.

Q.—Have you ever had any means of knowing whether such a negotiation was going on with a view to an agreement of that nature?

A.—I never saw anything to indicate it.

Q.—Is it then a matter concerning which you know nothing at all?

A.—I have no knowledge of it whatever, not the least.

Q.—Have you taken an interest or have you been engaged in railway enterprises?

A.—I have taken quite an interest in the promotion of railways in the section of country in which I live.

Q.—Have you had any interest or taken any part in the movement for building this Pacific Railway?

A.—I was appointed one of the Directors of the Canadian Pacific Company, that is the Chartered Company.

Q.—When did your acquaintance or connection then begin with the enterprise for building this Railway?

A.—It was only a short time before my appointment and before the signing of the contract.

Q.—Before that did you know anything about it or had you taken any interest in the matter?

A.—I had taken quite an interest in it, although I did not identify myself in any way with its promotion.

Q.—You had not been consulted by Sir Hugh Allan or any other person in relation to the construction of it.

A.—No, I had not. I had no connection with Sir Hugh Allan in reference to it. In fact I did not know him before the contract was signed. My acquaintance with him is only since that time.

Q.—Did you take any part in Lower Canada in the general elections of 1872?

A.—I did not.

Q.—Do you know of any money having been subscribed in aid of the election of Ministers or their supporters?

A.—No, I do not. There were very few contested elections in the Townships, the elections were by acclamation—those at least in the part of the Townships where I reside.

Q.—Do you know anything of the Montreal elections?

A.—Nothing whatever.

Q.—Do you know whether there was any subscription of money for the carrying of them on?

A.—I do not.

Q.—Do you know whether Sir Hugh Allan contributed anything in aid of the elections in any part of the Province of Quebec?

A.—I do not. No contribution ever came to my knowledge in any way.

Q.—Are you aware of the reasons for which your name was put on the list of witnesses?

A.—I cannot imagine any reason. I never had any conversation with Mr. Huntington at all. I had no knowledge of anything that tended to support the charges made by him.

To Sir John A. Macdonald, through the Chairman:

Q.—Do you know at whose instance it was that you became a member of the Board of the Canadian Pacific Railway?

A.—At the instance of the Hon. Mr. Pope, Minister of Agriculture; at least I understood I was nominated by him. He is the representative of the Townships in my part of the country. He asked me to become a Director. He said it was desirable that that section of the country should be represented on the Board, and asked me to act. He said there were two representatives from Montreal, and one from Quebec, and he thought therefore that the Eastern Townships should have a representative on the Board.

I was in no respect, that I am aware of, the nominee of Sir Hugh Allan.

I had no personal acquaintance with Sir Hugh Allan at the time. I had reason to believe that Sir Hugh Allan wished to name another gentleman in my place. That gentleman was Mr. Foster. I understood that negotiations, at least the signing of the contract, was delayed on account of Sir Hugh Allan's pressing the nomination of Mr. Foster.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of
September, 1873, and acknowledged the thirteenth day of said
month and year.

(Signed) ROBT. N. HALL.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this thirteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JOSEPH HAMEL, of the City of Quebec, Merchant, who being duly sworn, deposeth and saith:

I know Sir Hugh Allan very slightly. I never had any conversation with him.

I do not know G. W. McMullen.

Having heard read that part of the charge contained in the Royal Commission which reads as follows:

“That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other

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Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain percentage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh Allan at its head,"

I declare that I know nothing of this arrangement. I only know what I have seen in the newspapers, nothing more.

I am not aware whether the Government knew of the existence of such an arrangement between Sir Hugh Allan and G. W. McMullen.

I do not know whether there existed any negotiations between certain persons for the construction of the Canada Pacific Railway.

No Minister or member of Parliament spoke to me on the subject. I declare that I only know of this affair through what I have read in the newspapers.

Having heard read the other part of the charge contained in the Commission, which reads as follows :

"That subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway,"

I declare that I know absolutely nothing of such an arrangement, except what I have learned through the press. Sir Hugh Allan never told me that he had advanced money for the elections of Ministers and their supporters, nor did Mr. Abbott, whom I know very slightly. No member of Parliament or Minister ever told me that Sir Hugh Allan had advanced money for the elections of 1872.

I have no knowledge that money was subscribed for the Montreal elections. As to other places, I am aware that subscriptions are always raised to assist the elections of friends of the Government. I do not know that Sir Hugh Allan subscribed to aid the elections, nor Mr. Abbott either. I do not know if the friends of Sir Hugh Allan advanced sums of money for the elections of Ministers or their friends. When I say that I do not know that sums of money were advanced for the elections of 1872, I mean sums coming from this source—that is from Sir Hugh Allan. There were moneys subscribed by other friends of the Government towards the elections, but it was not for the election of Ministers. The subscriptions I have just mentioned may have reached five or six thousand dollars for the election at Kamouraska. I am not aware of any moneys for other elections. I have never had any conversation with members of Parliament or with Ministers on the subject of subscriptions by Sir Hugh Allan or Mr. Abbott, or their friends, for the elections of Ministers or their partisans, and no conversation occurred in my presence on the subject. I know absolutely nothing, of my personal knowledge, of the charges mentioned in the Royal Commission.

I can form no idea why my name was on the list of witnesses unless it was because I am a friend of the Government.

I persist in declaring emphatically that I have no knowledge of any arrangement or understanding such as that mentioned in the charges before the Royal Commission, and I declare that I have had no conversation with Ministers or members of Parliament on this subject, and that they have never spoken about it in my presence.

The money subscribed for Kamouraska was subscribed at Quebec and Kamouraska. It did not come from Montreal.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day,
month, and year first above written,
before us.

(Signed) JOS. HAMEL.

(Signed)

CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

CANADA.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

EGERTON R. BURPEE, of the City of St. John, in the Province of New Brunswick, Civil Engineer and Contractor, who being duly sworn, deposeth and saith:

Q.—Are you a member of the Dominion Parliament?

A.—No.

Q.—Do you know Sir Hugh Allan?

A.—I am acquainted with him slightly.

Q.—Do you know Mr. Geo. McMullen?

A.—Yes.

Q.—When did your acquaintance with Mr. McMullen begin, have you known him any length of time?

A.—No; I have known him since about the Session of 1872.

Q.—Were you one of the Provisional Directors upon the Board of the Canada Pacific Railway Company, incorporated during the Session of 1872?

A.—Yes.

Q.—Have you any knowledge, Mr. Burpee, of any agreement between Sir Hugh Allan and Mr. McMullen, representing certain American capitalists, for the building of the Pacific Railway with American capital?

A.—I was told by Mr. McMullen that there was such an agreement.

Q.—Do you remember when he told you that?

A.—At the same time—the Session of 1872.

Q.—Can you specify more nearly the year, month, or day?

A.—It was about the last of the Session.

Q.—Was it after the Act of Incorporation had been passed or before?

A.—It was before.

Q.—What did he say to you on that occasion?

A.—I met him a great many different times. He told me there was an arrangement made with American capitalists, in connection with Sir Hugh Allan, to build the road; and he wished me to become a member of the Company.

Q.—Did he state if there was any condition of that arrangement by which a certain interest was to be paid to Sir Hugh Allan?

A.—No. There was a condition that Sir Hugh Allan was to be one of the Company.

Q.—Do you know who were the American capitalists whom Mr. McMullen represented?

A.—I cannot remember them all; there was a large number. There was Governor Smith mentioned, Jay Cooke, and General Cass.

Q.—Did you understand that the Government of the Dominion was at that time favourable to that arrangement?

A.—No, I did not. It was rather adverse.

Q.—Did Mr. McMullen say anything to you on that subject?

A.—Nothing definite at all, except that he wanted the Government to acquiesce.

Q.—Was this after the agreement to which you have adverted had been signed?

A.—He said it had been signed.

Q.—At whose instance did you become a Provisional Director?

A.—At the instance of Sir Hugh Allan and Mr. Abbott; but I was for a long time interested in the Pacific Railway. We had been talking about it for some four or five years. I was solicited by both the Inter-oceanic and the Canada Pacific Company to join with them. I had a desire to be interested in the work, having already spent four or five years in working in connection with it.

Q.—Were you requested to become a Provisional Director of the Inter-oceanic Company before you were connected with the Canada Pacific Company?

A.—Yes.

Q.—Was the Government aware that you had been requested to become a Director of the Inter-oceanic Company?

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A.—I cannot say that they were. Those members of the Government with whom I had any conversation had always told me that the two Companies would be amalgamated; or at least that was their impression.

Q.—Who were those members of the Government?

A.—The members from the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

Q.—What reason had you to believe that the Government was adverse to the introduction of American capital?

A.—I had been told by members of the Government that it was intended that the road should be built with Canadian or British capital.

Q.—Will you name the gentlemen who told you so?

A.—I do not remember exactly, but I know that it was Mr. Mitchell's idea that the road should be so built.

Q.—Any other besides Mr. Mitchell?

A.—I think there were several others besides him. I think it was Mr. Tilley's idea also.

Q.—From your several conversations with members of the Government what was the conclusion that you came to as to the disposition of the Government in the matter?

A.—I was quite convinced that the two Companies would be united. For that reason I thought that it was immaterial as to which Company I belonged to. My opinion is, from the conversations I had with members of the Government, that the Government was adverse to the admission of American capital.

Q.—Had you any personal knowledge of negotiations tending to the amalgamation of these two Companies—the Interoceanic and the Canada Pacific?

A.—No personal knowledge.

I took no part in these negotiations.

Q.—Do you know why the negotiations were unsuccessful?

A.—No.

Q.—Are you now a member of the Board of Direction of the Canadian Pacific Company?

A.—Yes.

Q.—By whom were you nominated a Director?

A.—By the members of the Dominion Government for the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

Q.—That Company consists of how many Directors?

A.—Thirteen.

Q.—Do you recollect the date of that Charter?

A.—I think it was in January, 1873. I cannot remember precisely. I was here at the time. Perhaps it was February.

Q.—When you were asked to become a Director of the Canadian Pacific Company, or rather before you were asked to be so, were you consulted in regard to the terms of the Charter?

A.—I had talked it over with different parties, and I was told what the provisions were, and I also had an opportunity of reading it.

Q.—When was the contract given under this Charter?

A.—At the same time, if I recollect right, or a few days afterwards.

Q.—Having seen the Charter, what was your opinion in regard to it, and the terms of the contract upon it?

A.—It was to be entirely Canadian under this new Charter.

Q.—Was the stock subscribed in order to lead to that result?

A.—It was. It was distributed in the different Provinces in proportion to their population. I was requested to get up one-thirteenth of the stock, and before I became a member the greater portion of the stock for New Brunswick was subscribed by other people.

Q.—Then the stock was to be redistributed by the thirteen Directors in their several Provinces?

A.—Yes.

Q.—Were there any prescribed terms on which the stock should be given out by these thirteen Directors?

A.—Yes; there was no one allowed to exceed a certain amount, and it was to be kept entirely in the hands of British subjects. It was to be given out to the different Directors in proportion to the population of the Provinces which they represented; for instance, one-thirteenth of the whole stock was allotted to the Province of New Brunswick.

Q.—Were you prohibited from putting any premium upon it?

A.—Yes.

Q.—Were these thirteen Directors on an equal footing?

A.—Yes; so I understood.

Q.—There was no preference given to any one over the others?

A.—I never could see any.

Q.—As a man experienced in the construction of railroads, do you consider the Charter to be, or the contract to be, one of a particularly favourable and profitable character?

A.—I did not consider it satisfactory.

Q.—Satisfactory to whom?

A.—I mean that I did not consider it advantageous. I considered it a hard contract.

Q.—You stated, did you not, in the beginning of your evidence, that you are a railroad contractor?

A.—Yes.

Q.—Were you induced to take a part in the Directorship of this Company with the hope of making a profit out of it?

A.—I thought so at first, but when I came into this last Company I could not see much chance for making a profit. I expected in the first place when I was working in connection with the road that a profit might be made out of it; that is, years previously I thought so.

Q.—Have you any knowledge of any understanding between the Government and Sir Hugh Allan and Mr. Abbott, for the furnishing of money for the promotion of elections in 1872?

A.—None whatever.

Q.—Where were you during the period of these elections?

A.—In New Brunswick, I think.

Q.—You are not in a position to know anything of the matter?

A.—No.

Q.—Have you any reason to believe that any money was subscribed in the Province of Quebec or Montreal for the purpose of the elections?

A.—It is a matter of which I have absolutely no knowledge.

Q.—I suppose you took some interest in the elections in New Brunswick?

A.—In some of them.

Q.—Do you know if money was subscribed there for the support of the elections?

A.—I did not see any subscribed; but I know money was spent.

Q.—Do you know from what source the money came?

A.—From individual candidates and from their friends for them.

Q.—Have you any knowledge that Sir Hugh Allan or Mr. Abbott furnished any money for election purposes?

A.—I do not know. I have no knowledge whatever.

Q.—Do you know whether any money was sent to New Brunswick for election purposes from the Provinces of Quebec or Ontario?

A.—I have no reason to believe there was.

Q.—Have you had any conversation with any member of the Government which would give you any knowledge upon that subject?

A.—No.

Q.—Or with Sir Hugh Allan?

A.—No.

Q.—You say you know Mr. McMullen. Have you any knowledge of the correspondence which took place between him and Sir Hugh Allan?

A.—Nothing, except what he told me of the correspondence.

Q.—Have you anything to add to what you said he told you in relation to that correspondence?

A.—No.

Q.—You have never seen the correspondence between them—any of the original letters?

A.—I have seen some of the original letters, but I cannot say now what they contained.

Q.—Would you be able to identify any of them now?

A.—I am not certain. I don't think I would.

Q.—Were any of the letters which you saw afterwards published in the public prints?

A.—No; but I have not read them all. I cannot say for certain that they are the same. I would not undertake to say that I could identify them, as I paid at the time very little attention to them.

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Q.—Were you present at any of the conferences between Sir Hugh Allan and Mr. McMullen?

A.—No.

Q.—Or with either of these gentlemen and any member of the Government?

A.—No.

Q.—Do you know anything about these telegrams which have been published?

A.—No knowledge whatever.

Q.—Have you any further knowledge relating to the subject of this inquiry?

A.—I don't think of any.

Q.—Do you know whether Sir Hugh Allan received any money from United States capitalists?

A.—Mr. McMullen told me that he had advanced him money for the preliminary expenses of organizing the Company and getting the Charters.

Q.—Have you any other knowledge besides that?

A.—Nothing except from him.

Q.—Did Mr. McMullen say to you for what purpose the money was furnished by him?

A.—It was for the preliminary expenses in getting the Charter and organizing the Company. It was before the first Charter was got.

Q.—Was the use of American capital ever contemplated in the new Charter?

A.—No.

To Sir John A. Macdonald, through the Chairman:

I am a civil engineer as well as a railway contractor. I have had large experience in railways in New Brunswick and elsewhere for the last fifteen years. During the last five years I have directed my attention towards the Pacific Railway—I got up some statistics in reference to it at one time.

I expected to make some profit out of it at one time.

I was asked by the representatives of New Brunswick in the Cabinet to act as a Director. They informed me that they had put my name down and asked me to serve as a representative man from New Brunswick—at least I took it in that light. I had no idea of making any profit out of it as a Director. I had a misgiving as to whether the arrangement was a profitable one for the Company.

I was not asked by Sir Hugh Allan to become a Director of the present Company.

I am quite certain that it was not due to Sir Hugh Allan that I was appointed.

I cannot say that Sir Hugh Allan was opposed to me, but my impression was that he was opposed to me; but I do not know it directly from himself. I thought at the time that he was opposed to me.

The interest of New Brunswick in this Company was one-thirteenth of the whole stock, and as a Director I subscribed one-thirteenth of the stock, and paid a tenth of that amount; at least my friends and myself together paid it. That is, my New Brunswick friends. They took some of the stock for me before I subscribed. Those persons who subscribed for me were all Canadians. No American money was admitted on that subscription list. There was an agreement between me and those New Brunswick friends that the stock should be transferred from me to them.

I know that the Charter provided that there should be no transfer of stock without the consent of the Government, and they understood it so too.

If this were not done, the money deposited was to be paid back by me to them.

Mr. McMullen told me that Sir Hugh Allan had received from the Americans a sum of money to meet the preliminary expenses in getting the Charter for the first Company. I have had a good deal to do with getting up Railway Companies, and have had considerable experience in that way. That is always the first step taken to get funds for preliminary expenses. It always requires money, and sometimes we are obliged to pay it ourselves.

In my conversation with Mr. McMullen, I did not tell him that American capital would be excluded until after this last Charter was granted, or a short time before it was granted. Under the new Charter, as it was drawn, it was not possible for American capitalists to get in without the consent of the Government; at least, I cannot see any way how they could, and I told Mr. McMullen so.

Question by a Commissioner.—What are the names of the persons who joined in the subscription of stock with you?

A.—There were several. There were Mr. Domville, who lives at St. John, and Mr. Ryan, of Miramichi. His home is in Ontario somewhere, I believe. He had some one or two friends with him, whose names I do not know. Their stock was put in his name for them; Mr. McKean was one of them, I think. I have no other names, but both Mr. Ryan and Mr. Domville have friends joined with them in their stock.

My reason for supposing that Sir Hugh Allan was not favourable to my becoming a director was, that I met him several times, and he seemed adverse to have anything to say to me about it, and I never had any conversation with him about it until after I had signed the articles, and then nothing but the ordinary intercourse of one with another; nothing was said with respect to my name having been placed on the directorship.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken, and acknowledged on the } (Signed) EGERTON R. BURPEE.
fifteenth day of September, 1873. }
(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable ALEXANDER CAMPBELL, who being duly sworn, deposeth and said:

I reside in Ottawa. I am a member of the Privy Council. I am now Minister of the Interior. I have been a member of the Government since the first of July, 1867; that is, of this Government.

Q.—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. G. W. McMullen respecting the construction of the Pacific Railway with American capital?

A.—I have no knowledge of any such agreement.

I know Sir Hugh Allan, but I do not know Mr. G. W. McMullen.

Q.—Are you aware of any negotiations being carried on between these gentlemen having that end in view,—that is, the construction of the Pacific Railway with American capital?

A.—Not of my own knowledge.

Q.—Have you been present at any interviews with those gentlemen, or with either of them, relating to that matter?

A.—None; I never saw Mr. McMullen in my life, to my knowledge, and have been present at no interview with him.

Q.—Are you aware whether the Government encouraged any negotiations for the purpose of building the road with American capital?

A.—I am aware that the Government did not encourage any such negotiations; that they declined to promote or favour any such arrangement.

Q.—When did it first come under your notice that any negotiations tending to that end were going on?

A.—Merely by rumour. I think either during or shortly after the session of 1872.

Q.—Was the opinion of the Government decided upon that matter—that of excluding American capital?

A.—Yes; decided for excluding it.

Q.—When was that decision of the Government apparent?

A.—I think shortly after the end of the session of 1872, it became the pronounced policy of the Government to construct the railway altogether by means of Canadian and British capital, and by means also of the amalgamation of the two Companies.

I think it was made apparent shortly after the close of the session of 1872.

Q.—When you refer to the two Companies, do you mean the Interoceanic and the Canada Pacific?

A.—I do. It was the policy of the Government to amalgamate these two Companies, to exclude American capital, and to give the Charter to the Company, to be composed of these two amalgamated Companies.

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Q.—Have you any knowledge of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

A.—None whatever.

Q.—Would you be able to identify any of the letters that passed between them?

A.—Not in the least.

Q.—Have you read the published letters of Mr. McMullen—the two letters in the press?

A.—I read those which appeared in the 'Montreal Herald.' I have not read a recent account of an interview which some one had with him in Chicago.

Q.—Were you present at any of the interviews which the Government had with him?

A.—No. I never saw Mr. McMullen.

Q.—Are you aware whether Sir Hugh Allan ever received any promise, or any encouragement from the Government, in his negotiations with American capitalists?

A.—None whatever, so far as I know.

Q.—Do you know by whom the negotiations for an amalgamation of the Interoceanic and the Canada Pacific Companies were originally suggested?

A.—I do not.

Q.—Were these negotiations looked upon favourably by the Government, or otherwise?

A.—Favourably. I myself went to Toronto at the request of Sir John A. Macdonald about the end of October, 1872, for the purpose of endeavouring to bring about such an amalgamation, and I know that from the end of the session of 1872—I don't remember exactly what time the session closed—but from that time up to the time of my visit to Toronto, and afterwards—I should say up to the end of November—there were continuous efforts being made by the Government to bring about an amalgamation of those two Companies. Besides my visit, efforts were also made by correspondence. After I returned, Sir John Macdonald went himself for a like object. He went some weeks, I think, after I returned. I went up towards the end of October and saw Mr. Macpherson, the President of the Interoceanic Company. I also saw Mr. Cumberland, who was one of the Directors, and I went to London and saw Mr. Carling, who was another of the Directors, and Major Walker, who, I think, was a member of that Company, but I am not aware whether he was a Director or not. I endeavoured to persuade Mr. Macpherson that his objections as to the American element in the Canada Pacific Company were ill founded, and that the guarantees which the Government were prepared to give were so complete and so absolute, that they would entirely exclude the possibility of the Company being controlled by Americans. I did not conceive that Mr. Macpherson was afraid of American capital, but that American views might control it, and that the lands which were promised to the Company might fall into American hands and be used for American purposes. I endeavoured to convince him by the clauses which would be put in the Charter that it would be impossible for Americans to get control of it, and that the railway would be really and thoroughly controlled by Canadians. That was the object which I had in view, and these were the endeavours which I used. This was late in October.

Q.—You failed to convince him?

A.—Yes; Mr. Macpherson did not himself put forward the idea that he claimed to be at the head of the Company. He stated that he had no personal objects of his own to gratify, but he was persuaded that if it was not stipulated that Sir Hugh Allan should not be at the head of the Company, that American interests would not be excluded. I failed to convince him because of that view which he strongly adhered to. I may add, that during the same visit in the west, I, also saw Mr. Gzowski, his partner, on other matters, and I think that I satisfied him that the guarantees proposed by the Government were sufficient for the purpose of excluding American control. I did not, however, succeed in convincing Mr. Macpherson.

Q.—Did Mr. Macpherson's opinions seem to be shared by all the other members of the Interoceanic Company?

A.—By no means. Mr. Cumberland was quite satisfied that the guarantees were sufficient. Mr. Carling and Major Walker were also satisfied. All three of these gentlemen expressed to me the opinion that Mr. Macpherson in holding firmly to these views, after what I had stated to him, would not continue to represent the views of the gentlemen who had formed his Company.

These gentlemen were satisfied, and they thought that the larger number of the members would be satisfied that the guarantees were sufficient to exclude American control.

Q.—Did anything further pass at that conference with Mr. Macpherson?

A.—No. My visit failed on the ground that Mr. Macpherson could not believe that, so

long as it was not agreed that Sir Hugh Allan would be excluded from the Presidency of this Company, American interests would be effectually excluded.

Q.—Did you explain to the gentlemen with whom you had the conference what the Charter was to be?

A.—Yes. The guarantees which we proposed, and which are now in the Charter, were that the original stock list should be subject to the supervision of the Government, and that no changes should take place in that stock list without the consent of the Government; that the election of Directors should be subject to the approbation of the Government, and that no changes should take place in the Directory without the consent of the Government.

There were also provisions made in respect to the control of the lands.

Q.—You went up to Toronto to represent the Government?

A.—I went at the request of the Government, or rather at the request of Sir John Macdonald.

Q.—What time did Sir John Macdonald go there?

A.—Two or three weeks after that, in November.

Q.—What was the result of the whole negotiations?

A.—We could not convince Mr. Macpherson that these guarantees were sufficient unless it was also conceded, and that we should stipulate to exclude Sir Hugh Allan from the Presidency. But, at the same time, he clearly led me to understand that he did not himself put forward any particular claim to the Presidency, but that Sir Hugh Allan should be excluded from that position.

Q.—Was Sir Hugh Allan aware of the part the Government was taking for the purpose of bringing about this amalgamation?

A.—I do not know. I never had any conversation with Sir Hugh Allan about the Canadian Pacific Railway at all.

I presume that he was aware of it, but I don't know it myself.

Q.—Was any further guarantee suggested besides that of excluding Sir Hugh Allan from the Presidency?

A.—No, not in addition to those which I have mentioned.

Q.—Do you know when it was announced to Sir Hugh Allan that the Government would not consent to the admission of the American element in the Company?

A.—Not of my own knowledge. I apprehend it must have been during the Session of 1872.

Q.—After the failure of the negotiations for bringing about the amalgamation, what course did the Government then determine upon?

A.—They determined to avail themselves of the Act which had been passed during the previous Session, in contemplation of such an event, and to form a Company under this Act; a Company composed of the wealthiest and most influential men in the country, giving to each Province a representation on an analagous basis to that which prevails in the Privy Council. Five members from the Province of Ontario, four from Quebec, and so on, it being considered that the Privy Council fairly represents the importance and influence of each Province.

That Charter was granted in consequence of the failure to amalgamate, but very many of its provisions would have found their way into the contract, with either of those Companies, or into that with the united one, supposing we had dealt with an amalgamated Company.

Q.—What was the fundamental principle of that Charter with respect to the distribution of stock: how was it to be divided?

A.—It was an approximation of the representation of the different Provinces composing the Dominion.

Q.—In the choice of the Directors of the Company as representative men from the different Provinces was there any preference or advantage given to one over another?

A.—None: and the desire was to get into the Company men of standing, men of capital and men of railway knowledge. The Government also desired to procure from the several Provinces the best men of respectability, standing, wealth, or railway knowledge.

Q.—Was there any inequality among themselves as to the footing on which they stood as Directors?

A.—None whatever.

Q.—Were the terms upon which this Charter was granted and on which the contract was based more or less favourable than the terms contemplated by the Government at the beginning?

A.—They were the same terms in so far as these terms would be deduced from the Act of Parliament. Where the Act did not prescribe terms the object was to make the

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Charter as perfect as possible, and to absolutely exclude the possibility of Americans having any control, and to so frame it as to make it secure the objects we had in view. We spent a great deal of time over it, and so far as my knowledge and ability enabled me to judge, I believe that that Charter was made as perfect in these respects as it could be made. The Charter was intended to exclude American control, to retain control of the lands and money subsidy, to enable the Government to make a safe disposition of that money, and generally to accomplish the objects which the country had in view in granting a Charter for the construction of the Pacific Railway.

Q.—What time was the draft of that Charter made?

A.—The Charter, when I was first asked to take any part in it, was in draft; it was, I should say, about the middle of January. It was completed on the fifth of February. It had been submitted on behalf of the Government to Sir John A. Macdonald and myself, and on behalf of the Railway Company to Mr. Abbott. We spent a great many days over it, discussing the various points. Some put forward by Mr. Abbott on the part of the Company, that such a clause was too stringent, and another clause did not give the advantages which he considered they ought to have, and so on. These clauses were discussed for several days, Mr. Abbott consulting now and again with the persons who were to be Directors of the road.

Q.—On what calculation or data was the price fixed for the construction of this railway?

A.—We did not fix the price; we fixed our contribution to it. It was fixed by statute that the country should give the Company undertaking the works \$30,000,000 and 50,000,000 acres of land.

Q.—On what data were these fixed?

A.—They were fixed by Parliament.

Q.—Have you any knowledge personally to state whether the contract given would be a profitable one to the contractors or not?

A.—No, I have not. I may state that the data on which the \$30,000,000 in money was fixed was 3,000 miles of railway at \$10,000 a mile.

Q.—You have seen the printed letters of Mr. McMullen you say, with the exception of one?

A.—I have.

Q.—Do you know anything of the sums of money which are mentioned there as having been disbursed by Sir Hugh Allan?

A.—I do not.

Q.—These sums are \$8,500, to Sir John Macdohald and Sir Francis Hincks, and a large sum of money to newspapers, and a sum promised to the Honourable Mr. Langevin; do you know anything about these sums of money?

A.—Nothing whatever.

Q.—Do you know anything about the matters alluded to in Mr. McMullen's letters?

A.—No. I was present at none of the interviews. I never saw Mr. McMullen.

Q.—Have you any knowledge that Sir Hugh Allan advanced \$200,000, as stated in Mr. McMullen's letter?

A.—No.

Q.—Do you know anything about the sums of money alluded to, that is, money advanced for the purposes of the elections?

A.—No; I know nothing about those sums—nothing whatever.

Q.—Do you know anything about money payments to different individuals?

A.—No.

Q.—At the conclusion of this last letter of Mr. McMullen's, I find it printed in these terms:—"From Sir George Cartier to Mr. Abbott, dated August 24th, 1872. In the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Committee with a further sum of \$20,000, upon the same conditions as stated by me at the foot of my letter to Sir Hugh Allan of the 30th ultimo. (Signed) George E. Cartier. P.S.—Please also send Sir John A. Macdonald \$10,000 more on the same terms." Do you know anything about that letter?

A.—Nothing.

Q.—Do you know anything about the \$20,000 mentioned in it?

A.—I was in Kingston immediately after Sir John A. Macdonald's election, and I understood from him that a certain sum of money had been contributed towards the elections in Ontario by Sir Hugh Allan. I had no personal knowledge of the matter.

Q.—Have you ever seen these telegrams which have been published?

A.—I have not.

Q.—Have you not seen one from Sir John A. Macdonald to Mr. Abbott in these terms:—"I must have another \$10,000, will be the last time of calling. Do not fail me"?

A.—No.

Q.—Nor the answer of Mr. Abbott—"Draw on me for \$10,000"?

A.—No. The telegram purports to be sent from Toronto. I did not see Sir John after he left Kingston. I know absolutely nothing of them.

Q.—Have you any knowledge, as a matter of fact, that there was any money supplied for the elections by Sir Hugh Allan?

A.—None, except the knowledge I have mentioned.

Q.—Have you any knowledge concerning the elections in Montreal, and in the Province of Quebec?

A.—None.

Q.—Have you any knowledge of any understanding between Sir Hugh Allan and the Government, or any member of the Government, that money should be furnished for supporting the elections?

A.—None whatever. The Government is charged, as I understand, with having made a corrupt bargain with Sir Hugh Allan. Now I think that I am in a position, as a member of the Government, and having been particularly concerned in this Pacific Railway Charter, to say that there was no such bargain with Sir Hugh Allan or his associates, either corrupt or incorrupt. There was no bargain to give them or any one the contract at all. I do not believe that Sir Hugh Allan had any sort of understanding beyond that one given by Sir George Cartier, which was given by him on one day and repudiated by Sir John A. Macdonald on the next. I saw Sir John's telegram to that effect immediately afterwards. Beyond that I do not believe that Sir Hugh Allan had any understanding with the Government, or that there was any bargain, either corrupt or incorrupt, to give him or anybody else this contract until the Charter was about being signed; that would be perhaps the end of January or the early part of February. I am persuaded he had no such understanding. I say this because the allegation is that a corrupt bargain was made either before or during the Session, or at the time of the elections, and I know that during all that time the Government made no bargain to give the contract to any one. I was engaged in Toronto endeavouring to bring about the amalgamation of these two Companies as late as October, and I know that Sir John A. Macdonald was there for the same purpose as late as November, and it was nearly the end of November before we were satisfied that an amalgamation could not be brought about. When I was in Kingston I saw the telegram from Sir George Cartier, giving the terms of the arrangement, which, if I rightly remember, were that the amalgamation of the two Companies should be brought about and the contract given to the amalgamated Company; but failing that, it should be given to the Canada Pacific. These facts were communicated to Sir John A. Macdonald, and he immediately sent a telegram back stating that he would not assent, and that he would go down to Montreal.

I am satisfied there was no bargain with anyone to get the contract until it was absolutely given at the end of January, 1873.

Q.—That letter from Sir George Cartier, dated 24th August, 1872, which I have read to you, contains an allusion at the close of it, to "the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan of the 30th ultimo." Have you seen that letter?

A.—I have not.

Q.—Do you know where it is?

A.—I do not know of my own knowledge. I understood some time ago that it was in the hands of Sir Hugh Allan. I never saw it.

To Sir John A. Macdonald, through the Chairman:

I was not present at any interviews between the Cabinet and Mr. McMullen. I never saw him.

I was aware that there were two interviews, but I was absent on both those occasions.

The Charter was the result of the failure to amalgamate. I don't mean to convey the idea that the terms of the contract with the amalgamated Company, had there been an amalgamation, would have been different from the terms in the Charter. I presume that the Charter would have been much the same. We were anxious to make the best Charter we could, and to carry out the wishes of the country in relation to the Railway. Whether the amalgamation had taken place or not; whether it had been arranged by the Inter-oceanic Company or the Canada Pacific, or by a Chartered Company, in any case it was the policy of the Government that the terms should be as I have mentioned,

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and as are contained in the present Charter. That was the policy of the Government immediately after the Session of 1872.

Q.—You say you were aware, and that you had means of knowing, as a member of the Government, that there was no bargain, corrupt or incorrupt, with Sir Hugh Allan before the elections or before November?

A.—None whatever.

Q.—Could there have been such a bargain without your knowing?

A.—It could not be without my knowledge.

Q.—Supposing any one of the thirteen Ministers had made any agreement with Sir Hugh Allan, would it have been of any value whatever?

A.—Not unless it had been yourself. It would have been of no value. In such event, I apprehend, if any one of your colleagues could not have concurred in the advice which, in that case, you would have given his Excellency, he would have been obliged to retire.

Q.—Except myself, any agreement made by a member of the Government with any party would be so much waste paper unless it was sanctioned by the Government?

A.—That is my opinion.

Q.—If Sir George Cartier had made any arrangement with Sir Hugh Allan at Montreal or elsewhere, you say it would have been futile?

A.—If Sir George Cartier had made such an arrangement, and it had not been accepted by his colleagues, he would have been obliged to retire or have given it up and sacrificed his own views.

Q.—As a matter of fact, and in justice to Sir George Cartier's memory, do you know, as one who was socially and intimately acquainted with Sir George Cartier, what his sentiments were with respect to the introduction of American capital into the Pacific Railway enterprise?

A.—Very strong against the admission of either American capital or control. The idea then was not opposition so much to American capital as to Americans controlling the road. He took the extreme ground of excluding American capital as well as American capitalists.

Q.—From the conclusion of the Session to the granting of the Charter, did the Government policy vary for a moment with respect to excluding American capitalists and American control?

A.—Not for a moment. I think the only member of the Government who at any time held different views was Sir Francis Hincks; but finding his colleagues unanimous in the other direction, he yielded his views.

He saw, as well as his colleagues, that the feeling of Parliament was decidedly opposed to American connection.

Q.—Then he yielded to the sentiments of others?

A.—Yes; I think the fixed policy of the Government during the whole period, from the end of the Session of 1872 to the time the Charter was granted, was to exclude American control, and to give the Charter to Canadian or British capitalists, in order to make it a national work, and to carry out national views and objects.

Q.—Was it not also the fixed policy of the Government that the Company which should be entrusted with the building of the Pacific Railway should not be a sectional one?

A.—Yes; the desire was to embrace important interests in the different Provinces of the Dominion, and to get each province as much as possible represented by men of standing, wealth, and railway knowledge. This was done in order to prevent sectional jealousies which might impair the progress of the work.

Q.—Do you know, as a matter of fact, that the existence of the Government greatly depended upon there being no sectional differences, and would not the Government have been greatly endangered by bringing in a sectional Company?

A.—I think so.

Q.—Would it not have been impossible to exclude either Ontario or Quebec?

A.—Impossible. I believe that was the reason why in the very early stage of the matter, I apprehend before the close of the Session of 1872, it was considered to be impossible to give the contract either to the Canada Pacific, Sir Hugh Allan's Company, or to the Interoceanic, Mr. Macpherson's Company. If it were given to Sir Hugh Allan's Company, it would exclude many representative men from Ontario, Mr. Macpherson's Company being comprised principally, though not wholly, of Ontario men.

If the contract were given to the Interoceanic Company, it would have excluded representative men from the Province of Quebec, who were in Sir Hugh Allan's Company, and who considered him as their representative in Railway matters, and who had put him forward as the head of the organization, and as the mouthpiece of their views and wishes. I think very early it became quite clear that the Government could not proceed and deal

with either Company, but must endeavour to procure an amalgamation, and so deal, if possible, with the Dominion at large.

It was a matter affecting not only the interests of the railway, but the political existence of the Government.

I am convinced that the Quebec interests could not have been excluded from any arrangement for building the road.

Q.—If so, could Sir Hugh Allan have been excluded?

A.—No.

Q.—Why?

A.—Because he was put forward as a leading representative man. He was a prominent business man, and had been largely engaged in promoting the Northern Colonization Railway, and for two or three years he had put himself forward as the leader of Lower Canada in Railway matters, and was accepted as such by Lower Canada.

Q.—Are you aware that a deputation from Lower Canada—Montreal—came up to Ottawa, and saw Sir George Cartier, to insist that Sir Hugh Allan be viewed as the representative man of Lower Canada?

A.—I was not aware of it.

Q.—You were not aware that Mr. Hudon and Sheriff Leblanc came to Ottawa for that purpose?

A.—No, I am not.

Q.—Sir Hugh Allan is an exceedingly wealthy man, is he not?

A.—Yes.

Q.—What is he reputed to be worth?

A.—From \$500,000 to \$600,000 a year, I have heard it reported.

Q.—Reference has been made to Sir George Cartier's letter, and to my telegram to him repudiating his quasi arrangement. You were at Kingston at the time I received his telegram. I suppose you saw it almost at the time I received it?

A.—The same day or the next.

Q.—Do you remember my repudiating it at once?

A.—Yes, and also of your telegraphing that you would go down to Montreal, at once, and of your making preparatory arrangements with me to go down if necessary that night.

Q.—My election was then going on, was it not?

A.—I think this was during the nomination week.

Q.—So I made arrangements with you, to enable me to go down and break up such an arrangement, and asked you to attend to my interests in my absence?

A.—Yes.

Q.—Did you see the answer to my telegram?

A.—Yes.

Q.—The arrangement stood according to my previous telegram?

A.—Yes; the only thing you said, I think, was that the influence the Government had on the Board would be used to get Sir Hugh Allan made President.

Q.—You assented to that, and thought it reasonable that the wealthiest man in Canada, and the oldest on the Board, should be President?

A.—Yes; and also because he was the first person who came forward as a Canadian, and took an interest in the project, and was willing to embark his means in it.

Q.—Had Sir Hugh Allan any special reason for desiring the extension of railways westward?

A.—I don't know, except that he was largely interested in the Northern Colonization Road.

Q.—Was he not also largely interested in steam transportation?

A.—Yes.

Q.—Are you not aware that there was an attempt made to get up a rival Company in England?

A.—I have heard so.

Q.—Under whose auspices?

A.—Of the Grand Trunk Railway, I understood. It was however a mere rumour?

Q.—Did that present a cause of fear to Sir Hugh Allan that the steamship line might be excluded from the Western traffic?

A.—It may have been so. I never had any conversation with him on the subject, but I understood that he had those views.

Q.—Are you not aware that he was also interesting himself very much, and pressing on public attention a road still further west than the Northern Colonization Railway. The Toronto and Ottawa Road?

CANADA.

A.—Yes, it was to be a Road to run from here to Carleton Place and Peterborough, through the interior of Upper Canada, and come out to the lake at Toronto.

Q.—The fact is Sir Hugh Allan had determined upon the extension of the Railway system, and desired to connect himself with it?

A.—I understood from general report that he had the idea of a railway system from Montreal westward independent of the Grand Trunk Railway.

To the Commissioners:

I understood you to say that the terms of the Charter were finally settled some time in the latter end of January?

A.—Yes.

Q.—You mentioned also that you had several interviews with Mr. Abbott, as representing that Company?

A.—Yes.

Q.—And his praying that certain alterations might be made?

A.—Yes.

Q.—Did that touch the question of the exclusion of American control?

A.—It did not. That was a conceded point before we sat down.

Q.—Did the Government in any way concede the point in regard to American control?

A.—Not in any way, and he did not desire it. It was a conceded point that it should be excluded before we sat down, and our desire was to frame a Charter so as to make that secure, and he was equally anxious with us that it should be so.

Q.—What was the nature of the alterations he suggested?

A.—I can hardly remember. He may have suggested forty or fifty.

Q.—What principle did they affect?

A.—There was a great deal of detail as to the mode and rapidity by which the \$30,000,000 were to be paid, whether the payment was to depend on the construction of certain sections or upon a certain quantity of labour on several sections, and how fast it was safe for the Government to pay it out. He endeavoured to get stipulations for this money to be paid out as rapidly as possible. Sir John Macdonald and myself, on the other hand, endeavoured not to have the money paid until assured evidence had been effected that value had been received for it by the country. And in the same way with regard to lands, his object being to obtain the land as quickly as possible, while our desire was that it should be granted only as the construction of the road progressed. What I mean to say is that he endeavoured to obtain some mode of determining the rate of progress in the work, more favourable than that of leaving it to the decision of the Government or its engineer. It was understood that the payments were to be dependent on the rate of progress. Then as to the way the land was to be dealt with as to the possibility of its being used, in any way injuriously to the interest of the country at large; as to the mode and rapidity of its being patented and a variety of questions of like nature which must occur in a large national undertaking, came up from day to day.

Q.—On how many occasions were you present when Mr. Abbott also was present?

A.—In the discussion of this Charter, we may have spent the best part of seven or eight days.

Q.—Were you there on the first occasion?

A.—I was there every time.

Q.—On that occasion was there anything said with respect to American control or did he claim that any alteration should be made in that part of the Charter which was to exclude American control?

A.—No. It was a conceded point before we sat down, that it should be excluded, and there was no effort made on his part to get the Charter changed on that point.

Q.—That referred to American capitalists as well as American control?

A.—Yes. Whatever Sir Hugh Allan wished, or may have done originally with his friends, Mr. Abbott, as his representative, and that of the Companies said he and they had entirely abandoned any intention of having American interests introduced, and Mr. Abbott was equally anxious with Sir John Macdonald and myself to prevent the possibility of this control or influence being brought in.

Q.—Can you state what was the date of the first interview between the members of the Government and Mr. Abbott, in relation to the final settling the exact terms of the Charter?

A.—I should say towards the end of January, probably about the 20th. I do not remember whether the time was given consecutively or not. I think Mr. Abbott may have had occasion to go to Montreal once or twice.

Q.—In what form was the draft, I mean was it a rough draft?

A.—It was originally in manuscript, and at the time it was presented to me it was in type—in galley.

To Sir John A. Macdonald, through the Chairman :

I think it was the end of January that Mr. Abbott was put in communication with you and myself, but the communications and negotiations had been going on long before that. What I was asked was as to the interviews which resulted finally in the settlement of the Charter.

Q.—The draft of the Charter commenced with a few headings, and by degrees expanded, and became more and more worked into details, until at last we sat down and framed the Charter.

A.—It was set down in detail, printed in galley, revised and reprinted. I think it was printed four or five times, as the alterations were going on before it was finally settled.

I desire to add one word. In that last letter which Mr. McMullen publishes he says, I think with reference to a bill or note made by Mr. Hillyard Cameron, that it was renewed by the Merchants' Bank, and says that the renewal was at the instance of the Government after a visit of the Postmaster-General to Montreal. I was the Postmaster-General at the time, and am the person to whom he referred, and I wish to say that the insinuation conveyed by that paragraph is false; that I knew nothing of the renewal of Mr. Cameron's paper, and that no visit of mine to Montreal had any reference to any such renewal, nor did I ever ask anyone to renew such a note.

And further for the present deponent saith not.

And on this sixteenth day of September reappeared the said witness and made the following addition to his foregoing deposition:—At the close of my deposition I spoke of a statement which Mr. McMullen had made in a letter, that I took some part in having a note renewed which had been made by Mr. Hillyard Cameron. I was speaking from memory as to what Mr. McMullen had stated. Since I gave my testimony I have looked up the statement as it appeared in the papers, and I find his statement is not as to the renewal of a note but as to the inception of it. The statement is: "And now let me add one more fact which will illustrate the position of the Committee and of the absolute control which the accused and their friends have exercised over it. Outside of the amounts which may have been furnished him by Sir John A. Macdonald, the Chairman of the Investigating Committee applied through the Premier for a loan of \$5,000 when the elections were all over, and Sir Hugh Allan supposed that he was through paying, and he objected, but after a personal visit of the Postmaster-General to Montreal, and urgent letters and telegrams of Sir John, who announced that it was to help us, the thing was done."

I desire to say in reference to the inception of the note and the original loan, that the insinuation of any visit of mine to Montreal had anything to do with it, is false. I knew nothing of such a loan, and no visit of mine to Montreal had anything to do with it.

Q.—Did you visit Montreal about that time?

A.—I can hardly tell. I never spoke to Sir Hugh Allan on the subject, nor to any officer of the Merchants' Bank. I was not aware until long afterwards that there was such a discount.

Q.—Do you know of Sir John A. Macdonald having written to Sir Hugh Allan in respect to this note?

A.—I do not of my own knowledge.

Q.—Do you know of any telegrams; did you send any telegrams respecting this matter?

A.—None; nor do I know of any having been sent.

Q.—Do you know of any application by Mr. Cameron to any member of the Government to assist him in obtaining this discount?

A.—Not of my own knowledge, but I believe there was some communication on the subject, and that Sir John Macdonald did assist him to get this discount; but I have no personal knowledge of it.

And further for the present deponent saith not.

And on this 17th day of September reappeared the said witness and continued his deposition as follows:—

The amount which I learned from Sir John A. Macdonald in my conversation with him at Kingston, as that which was to be contributed by Sir Hugh Allan to the Ontario Election Fund, was \$25,000. This was after Sir John's own election.

Q.—Did you hear of any other sum being promised by Sir Hugh Allan?

A.—I did not until after these discussions took place in the newspapers.

Q.—Did you from any other member of the Government?

A.—I did not, until, as I have said, these matters became rife in the newspapers.

CANADA.

Q.—Do you know at any time of any other sums being furnished by Sir Hugh Allan, than the \$25,000?

A.—Not until those newspaper reports came out. But afterwards I did hear so from the conversation I had with Sir John A. Macdonald himself.

Q.—Did it then come to your knowledge that further sums had been subscribed by Sir Hugh Allan?

A.—Yes; there were sums in the aggregate which amounted to \$45,000.

Q.—For the Province of Ontario?

A.—Yes.

I desire, with the permission of the Commissioners, to add that on my visit to Toronto, and in the interviews I had with Mr. Macpherson to bring about the amalgamation between the two Companies, I did not desire to make any stipulation as to who was to be President, nor did I desire to make any stipulation upon the subject of the Presidency. It was Mr. Macpherson who desired it to be stipulated that Sir Hugh Allan should not be President.

Q.—Upon the grounds he stated?

A.—Yes.

I desire to say further, that I have had no correspondence whatever with Mr. Abbott about the amount or mode of distribution of any election fund of which Sir Hugh Allan was the chief or sole contributor, or of any other election fund whatever.

I make this statement, as I see in the 'Montreal Herald' it is suggested that such a correspondence took place, and I desire to contradict it.

Q.—Had you any correspondence with Sir Hugh Allan?

A.—No; not with anybody.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fifteenth day of
September, 1873, and acknow-
ledged on the seventeenth day of
said month and year.

(Signed) A. CAMPBELL.

(Signed)

CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable PETER MITCHELL, of the City of Ottawa, who being duly sworn, deposeth and saith:

I am a member of the Privy Council, and Minister of Marine and Fisheries in the Dominion Government.

Q.—I will read to you the terms of the charge which the Commission is enjoined to inquire into, the first clause of which is as follows:—"That an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the Pacific Railway, and to give the former a certain percentage of interest in consideration of their interest and position. The scheme agreed upon being ostensibly that of a Canadian Company, with Sir Hugh Allan at its head." Have you any knowledge of any agreement or negotiation of the kind?

A.—No, not of my own personal knowledge. I have such knowledge as the public prints have lately afforded.

Q.—Is all your knowledge confined to that which you have derived from the press?

A.—Entirely so.

Q.—Were you not aware at any time previous to the publishing of the correspondence that such negotiations were going on?

A.—I was aware from public rumours that Mr. McMullen and Sir Hugh Allan had some intercourse in relation to this matter, and that they had talked of arranging some plan by which American capital could be acquired. That information I got from Mr. McMullen himself.

Q.—You know Sir Hugh Allan and Mr. McMullen, do you not?

A.—Yes; I know both of them.

Q.—And the information you possessed in regard to these negotiations was derived from Mr. McMullen himself.

A.—Yes, as to the fact that such negotiations were going on. I never had any conversation with Sir Hugh Allan on the subject.

Q.—Were you present at any interviews between the members of the Government and Sir Hugh Allan and Mr. McMullen?

A.—I was present at one interview with Sir Hugh Allan, Mr. McMullen, and I think Mr. Smith, but I am not sure whether Mr. Smith was there or not. I don't remember the date, but it was the first interview which Mr. McMullen in his published letter states that I was present; although I don't know whether it was the first or second interview except from what I have seen in the papers.

I think it was the interview which McMullen states in his letter took place early in July, 1871, at which I was present. It will be in the one where he states I was present.

Q.—This interview at which Mr. McMullen says you were present, took place the 5th October, was that the one?

A.—I presume so.

Q.—What passed on that occasion?

A.—Not very much. I understood that these gentlemen came there to make some proposition to the Government, and that he asked an interview with the Government for that purpose. They got the interview, and the substance of what took place was, that when the gentlemen obtained the interview, and the ordinary courtesies had been gone through, Sir Hugh Allan was asked by Sir John A. Macdonald if he had any proposition to make to the Government. Sir Hugh asked the question in reply, "If the Government were in a position to entertain a proposition if he made one?" and Sir John, on behalf of the Government, stated "that the Government were not in a position to accept a proposition" if made at that stage of the proceedings, and Sir Hugh Allan then declined to make any proposition. Very shortly afterwards they bowed themselves out in the ordinary course, as there was no business to be done.

Q.—Was there any discussion at that time concerning the source from which the capital was to be derived?

A.—Not between the Council and Sir Hugh Allan and his associates. I think that the discussion that took place during the interview was exceedingly limited, and almost entirely confined to Sir John A. Macdonald and Sir Francis Hincks, on behalf of the Government. There was a discussion also amongst members of the Government after they had left.

Q.—Was Mr. McMullen understood to be representing American capitalists on that occasion?

A.—I do not know. I understood so myself from what I had heard, but I am not sure whether Mr. McMullen told the other members of the Government or not. I think the conversation was mainly, on their side, confined to Sir Hugh Allan. After they left, the question about American capital was raised and discussed by the Cabinet, and the opinion of each member present was given on that occasion.

Q.—What was the view generally taken?

A.—With the single exception of Sir Francis Hincks, every gentleman was opposed to the admission in any way of American control, and that Americans should have no interest in the construction of the road. Some gentlemen were against American capital too. My own opinion was exceedingly decisive on that point. At the first interview with Mr. McMullen, I told him that I would never consent to the Americans having control of our national road. He spoke of the influence of Sir Hugh Allan in the country, and of his great wealth. I said that Sir Hugh Allan was not all Canada, and I told him that I did not think that my colleagues would consent. After that, Mr. McMullen had very little to say to me.

Q.—It was then the settled policy of the Government at that time to exclude American capital?

A.—It was, with the exception I have mentioned, and I accepted it as the settled policy of the Government.

CANADA.

Q.—Do you know anything of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

A.—Nothing whatever, except what I have seen in the public prints. I saw none of the original letters. I was told by a member of the Opposition, with whom, officially, I am often brought in contact, that there was a correspondence of a most damaging character between Sir Hugh Allan and Mr. McMullen. He offered to show it to me, but the next day he informed me that he could not get it. I could not believe it myself, and I felt that there was a misrepresentation made in relation to it.

Q.—Was this the only interview at which you were present when Mr. McMullen was also present?

A.—I think so.

Q.—Have you had any conversations with Mr. McMullen apart from that interview?

A.—On two or three occasions when he was here. At the conversation which took place in Chicago I gave a very decided expression of my own opinion as to Americans being permitted to have any control of our Pacific Railway.

On several occasions afterwards, I think when Mr. McMullen was here, or at least once or twice when he was here, he spoke to me of the progress of their work, and seemed to feel very confident about it.

I always told him what my opinion was on the subject.

Q.—Are you prepared to say that the Government or any member of the Government never gave him any encouragement or favour in this project or enterprise, so as to induce him in any way to believe that American capital would be admitted in the building of the road?

A.—I am prepared to say the Government never did, and, except what Sir Francis Hincks said, I am not aware that any member of the Government did. There was no encouragement nor any insinuation of any kind that Americans would be permitted to have any interest in the construction of the railway.

I only speak of my own opinion, and of what transpired in the Council Chamber. I am satisfied in my own mind that no expectation could have been held out that American control would be permitted.

Q.—Have you any knowledge of any negotiations that took place for the bringing about of an amalgamation between the Interoceanic and the Canada Pacific Companies?

A.—I took no part in such negotiations. I was aware that negotiations were going on, but what the particulars were I did not exactly know. All I know was this, that it was the desire of the First Minister to bring about such an amalgamation, and that opinion was coincided in by all of his colleagues.

Q.—Who took an active part in these negotiations?

A.—Sir John A. Macdonald, Hon. Mr. Campbell, and perhaps Sir Francis Hincks?

I don't think Sir Francis took part so much as the others.

Of course the other members of the Cabinet stated their views and approved or disapproved as it struck their minds at the time that the steps were taken or proposed to be taken.

These negotiations began, if I recollect right, shortly after the elections, or it may have been during the Session of 1872.

The Session of 1872 closed, I think, early in June.

The result of the negotiations, as I understood, and as I learned in the Council, was that they failed. Mr. Macpherson declined to accept the terms of amalgamation as proposed.

I had no personal interview with Mr. Macpherson nor with any other gentlemen of the Interoceanic Company. I took no personal part whatever outside of what took place in the Council. I took no part in the negotiations for amalgamation.

Q.—Did you take any personal part in the framing of the Charter?

A.—No. The framing of the draft of the Charter was almost entirely conducted by Sir John A. Macdonald himself, with Mr. Campbell on the part of the Government. The part that I took in the Charter was this: After the first draft was made it was submitted to the Cabinet. We went over the Charter section by section and clause by clause, and spent days over it, sometimes discussing the phraseology and at other times discussing matters of detail. A good deal of difference of opinion was manifested by the different members of the Cabinet in regard to the details. But one prominent point was always kept in view, as to how we could best accomplish the satisfying of the public mind that American control was excluded from the Charter. Outside of that I took no part in the framing of the Charter.

Q.—The determination of Government to issue that Charter—when was it arrived at?

A.—My impression is that it was immediately after the return of Sir John A. Macdonald from Toronto,

I think that was late in the fall of 1872; we had several discussions about it in the Council before that decision was come to. My impression is, although I am not confident about it, that the determination to issue that Carter was fixed upon in the month of December, that was after the failure of the negotiations; at least that seemed to be the settled sentiments of the Government, but it may not have been settled upon before January.

Q.—Was it in consequence of that failure that they determined upon that course?

A.—It was as the only means left open to the Cabinet for carrying out the wishes of Parliament.

Q.—Was that contract given under that Charter under any more favourable terms than had been previously contemplated by the Government?

A.—None that I am aware. It was on very much less favourable terms than Sir Hugh Allan asked. My recollection is that Sir Hugh Allan asked a greater amount of money and a larger quantity of land.

Q.—Had Sir Hugh Allan any advantage over his co-Directors?

A.—I know of none.

As a member representing one of the smaller Provinces, my anxiety was to see that Sir Hugh Allan got no advantage. Both Mr. Tilley and myself, I believe, gave very special attention to that point, and I saw no desire on the part of the Government to give him any special advantage, but on the contrary, looking upon him as a very wealthy man representing the sentiments of a large portion of Quebec, we felt that the great danger was of any man in his position having too much power, for that reason we specially guarded against it.

Q.—Another portion of the charge is, "that subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway;" do you know anything about an understanding of that kind?

A.—I do not.

Q.—Was any such understanding made with the Government?

A.—None that I know of.

None was ever heard at the Council Board when I was there. I know none was made with the Government. What might have taken place with individual members of the Government I cannot say. I could not but have been acquainted with it if it had been made with the Government. The whole course of the negotiations and transactions ignored the possibility of any such contract having been made.

Q.—Do you know whether any such understanding was come to between these gentlemen—Sir Hugh Allan and Mr. Abbott, and any member of the Government?

A.—I do not know of any.

Q.—Do you know whether any money was in fact subscribed by Sir Hugh Allan or Mr. Abbott?

A.—I do not know of a dollar being subscribed, except from what I have learned in the public prints.

Q.—Do you know whether money was subscribed by any person for the promotion of the elections in 1872 in Quebec or in your own Province?

A.—I do not know of a dollar except a small sum I authorized a friend to subscribe for me, to one of the elections in our Province.

Q.—Do you know of money having been received from Quebec for promoting the elections in your Province?

A.—I never heard of a dollar having been received, nor do I believe that there was a single shilling given to our Province for any such purpose. If there was, I am entirely ignorant of it.

Q.—Do you know anything of a printed letter purporting to be a letter from Sir George Cartier to Mr. Abbott, dated the 24th of August, 1872, which is as follows:—"In the absence of Sir Hugh Allan, I shall feel obliged," &c., do you know anything about that letter?

A.—I do not, nor did I ever see it until I saw it in one of the Montreal papers.

Q.—Do you know anything of the letter alluded to in this letter as being of the 30th of July?

A.—I do not. I never heard of it until I saw it in the public prints.

CANADA.

Q.—Do you know anything of this telegram which reads, “I must have another ten thousand,” &c.?

A.—I know nothing of it, or of any other telegram of that character; I never heard of it until I saw it in the newspapers.

To Sir John A. Macdonald, through the Chairman:

Q.—What was Sir George Cartier’s opinion as to the admission of American capital into this enterprise?

A.—He was always hostile to allowing American capitalists to be interested in it. His opinions were very decided, and suffered no variation from the beginning. I learned his opinions by his statements at the Council Board, and also visiting occasionally at his house, and in private conversation with him. I occasionally met him at dinner, and I never found but the one opinion entertained by him. And, like myself, he was very decided in his opinion on this point.

Q.—Who selected Mr. Burpee to be a Director on the Canadian Pacific Company?

A.—Mr. Tilley and myself. I never spoke to Sir Hugh Allan in relation to this subject, and certainly not in relation to Mr. Burpee’s appointment. The ground of our selecting Mr. Burpee was, that we considered him the most prominent representative railway man in our Province, and that he would act independently of Sir Hugh Allan. We did not wish that the interests of New Brunswick should be overlooked, and we were anxious to select a man that would represent the interests of New Brunswick at that Board. We selected Mr. Burpee for the purpose of watching Sir Hugh Allan, and to hold out against him if he were inclined towards the Americans. Mr. Burpee was aware of this, and I think sympathized with that feeling himself. There was one opinion entertained by Mr. Tilley and myself, and that was, that with the great wealth and influence of Sir Hugh Allan the interests of our Province should not be overlooked.

Q.—Do you know, or do you not, whether Sir Hugh Allan was favourable to Mr. Burpee’s appointment when he heard of it?

A.—I had no means of knowing, but I understood that he was adverse to the selection of Mr. Burpee. I had no conversation with Sir Hugh Allan on the subject, I learned this from outside rumour.

And further for the present deponeth saith not.

And on the 16th day of September the said witness reappeared, and made the following addition to his foregoing deposition.

In answer to a question put me as to the exact views entertained by Sir Francis Hincks, in relation to the admission of American capital or control in the building of the Pacific Railway, I say that I understood Sir Francis had no objection to any person building the road. My impression is, that Sir Francis looked upon the undertaking as one that, so far from being a benefit to the contractor, would be a loss, and he was anxious that any person would undertake the building of the road. Sir Francis would not, I think, have objected to Americans having control in the building of it. But afterwards Sir Francis coincided in the views of his colleagues, that it was desirable to exclude American control. But previously he looked upon it as so bad a speculation that he would be glad to see Americans or any one else undertake it. He was quite ready to see it built by any person. After the matter, however, was discussed, he coincided in the general views of the majority of the Government.

And further deponeth saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fifteenth day of
September, 1873, and acknowledged
on the sixteenth day of said month
and year.

(Signed) P. MITCHELL.

(Signed)

CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners

PROVINCE OF ONTARIO,
City of Ottawa.

IN THE MATTER OF THE COMMISSION

CANADA.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this seventeenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Right Honourable Sir JOHN A. MACDONALD, Knight, Commander of the Bath, and Minister of Justice for the Dominion of Canada, who, being duly sworn, deposeth and saith:

Q.—You are aware of the charges relating to the construction of the Pacific Railway, and to the raising and distribution of funds for the promotion of the elections in 1872, recited in the Commission; will you have the goodness to state to the Commission all the facts within your knowledge relating to this matter?

A.—I suppose it had better be done as a narrative.

In the Session of 1871, Resolutions were passed admitting British Columbia into the Dominion, and it was then provided that a railway connecting the Pacific with the Canadian system of railways should be constructed within ten years. At the same Session there was a Resolution passed in the House of Commons, that the road should be constructed by private enterprise, aided by public subscriptions in money and lands.

There were no other proceedings that Session except a vote to defray the expenses of surveying the line, but it was understood that the Government should prepare and lay before Parliament at its next Session a scheme for the construction of the road. The surveys were commenced and carried through during that summer, but the Government took no action for some time with respect to the construction of the road, or the formation of Companies for that purpose; in fact, had not prepared a scheme, when I was one day waited upon by Mr. Waddington in Ottawa.

Mr. Waddington was an English gentleman whom I knew. He formerly resided in British Columbia, and had spent a good deal of money in railway surveys and explorations, and was an enthusiast in the matter. He told me that by his invitation, as I understood it, some American capitalists from Chicago were coming to Ottawa to make a proposition to the Government for the construction of the Pacific Railway. I told Mr. Waddington that I thought this movement was premature; that the Government could not make any arrangements at all until it had submitted a scheme to Parliament, and obtained the sanction of Parliament. He seemed to be a good deal disappointed, and asked would I refuse to see them. I said certainly not, I would be glad to see them; and Sir Francis Hincks and myself, we being the only two Ministers then in town, saw these gentlemen. We told them that we thought their visit was premature. We said, as a matter of politeness, that we were glad to see that American capitalists were looking for investments in Canada, but that we could not enter into any arrangement or receive any proposition from any body until after the next Session.

They said that they had communicated with other capitalists in New York and elsewhere, whose names they mentioned at the time, and, I think, exhibited a list of their names to Sir Francis Hincks and myself, who were ready to co-operate with them if they could make an arrangement for the construction of the road. Some of the names I knew, some of them I did not, but have since ascertained that they were all of them men of standing and capital in the United States.

Q.—Do you recollect the names of the gentlemen present at the conference?

A.—There was Mr. Smith of Chicago; Mr. McMullen was with him, also from Chicago. He was, however, a Canadian. I think Sir Francis Hincks mentioned other names, but I cannot recollect them at this moment.

I think there were two others.

Q.—Can you fix the date of that interview?

A.—I cannot without reference.

Q.—It was the first interview on the subject?

A.—Yes. The fact of these gentlemen having made this proposition, called our attention, and through Sir Francis Hincks and myself the attention of our colleagues, to the necessity of attempting to get Canadian capitalists to enter upon the subject.

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I first communicated with several gentlemen in Ontario, principally in Toronto, endeavouring to enlist their interest in the enterprise. I told them that it was a great pity that a great work of this kind should be carried off by foreign competitors, and if American capitalists could make it a paying enterprise, surely Canadians could do so as well. I spoke to my friends and mentioned the fact that these American gentlemen had come and made this proposition. Sir Francis Hincks, subsequently, on one of his visits to Montreal, saw Sir Hugh Allan on the subject. He did so without any arrangement or instructions from his colleagues or from myself as First Minister. He did so on his own responsibility, just the same as I did to any friends that I saw. As I understood he had a communication with Sir Hugh Allan, which he stated in his evidence. On Sir Francis Hincks's return to Ottawa, he mentioned that he had this conversation, and I thought he had made a mistake, and so did, I believe, most of the members of the Government. At that time it had not occurred to me, or I think to anyone, that these American gentlemen were in any way connected with the Northern Pacific Railway. That had not occurred to any of us. It certainly had not occurred to me, and the reason why I thought that the action of Sir Francis Hincks was premature, was that I thought that the true plan would be to endeavour to get up a strong Canadian Company, in which would be represented the capital of the different sections of the Dominion, and after a body of Canadian capitalists were so formed, they might extend to the United States, or to England, and I thought that it would frustrate that policy to have communication in the first place with Americans. After Sir Francis Hincks had made that communication, Sir Hugh Allan came to Ottawa, with several of these American gentlemen, Mr. McMullen again, Mr. Smith, and I think Mr. Hurlburt of Chicago. We received them in the Council Room, and had some conversation with respect to the railway, but only as a matter of conversation as to the importance of the road and its great advantage to Canada, and so on; but the only business that we did was my asking Sir Hugh Allan, who seemed to be the principal spokesman of the party, if he had any proposition to make. He told us that he had an arrangement with American gentlemen, some of whom were there, for the purpose of getting up a Company to build the Pacific Railway. I said we were desirous of getting applications and propositions of every sort from all parties who took an interest in the matter. He then asked me if we were prepared to consider and enter upon any such proposition if he made it. We said no, we were not prepared; we could enter into no arrangement at that time; we had no authority from Parliament to do so. Sir Hugh Allan said, "I am, then, not prepared to make any proposition," and then they left.

Q.—Do you remember the time of that interview?

A.—I do not. But I see it stated in one of Mr. McMullen's letters that it was on October the 5th, 1871.

Q.—That is the interview to which you allude?

A.—Yes. I cannot say whether this is correct or not, but I have no reason to doubt it.

Q.—There were several members of the Government present besides yourself?

A.—Yes. The Cabinet was pretty full. Mr. McMullen says there were present Sir John A. Macdonald, Sir Francis Hincks, Sir G. E. Cartier, and Messrs. Tilley, Tupper, Mitchell, Morris, Aikens, and Chapais.

I presume his statement in regard to those present is correct.

I would say in reference to this, that before that meeting, I see it observed in the letter of the 18th of July, signed by Mr. McMullen, which appeared in the 'Montreal Herald' and 'Toronto Globe,' that he says that the result of the communication between Sir Hugh Allan and these American capitalists, was an interview in "Montreal early in September, 1871, by which preliminaries were settled between Sir Hugh Allan, Charles M. Smith, and myself, by which Sir Hugh was to receive a large personal interest in the stock, and an amount for distribution among persons whose accession would be desirable, and that the cash instalment on such stock would be advanced and carried on by others." He goes on to say "that an interview was held by myself with Sir John A. Macdonald at the St. Lawrence Hall the day before we met Allan, at which he expressed the approval of the Government at the proposed meeting, and requested me to meet him in Ottawa." Now, that is an incorrect statement. I was at the St. Lawrence Hall, met Mr. McMullen, and he told me that he was entering into negotiations with Sir Hugh Allan; that they proposed to make a proposition to the Government. I heard his statement, and neither expressed approval or disapproval of it. In September we were exactly in the same position as when he had previously met us in Ottawa, and the Government were not in a position to enter into any proposition of the kind, because we had not got the sanction of Parliament.

I said we would consider any proposition that was made, when it was made. I observe also that Mr. McMullen in the same letter states "that at the meeting in October 5th, it was at once apparent that they were not fully in accord amongst themselves, in consequence, as Sir Francis Hincks informed me, of Grand Trunk jealousy of Allan represented in the important personage of Sir George Cartier." This is altogether an erroneous statement; we were quite in accord among ourselves, we were all in accord that we could not consider any proposition until after we had the sanction of Parliament; that we were not in a condition to make any arrangement until Parliament had authorized us to do so. In consequence of its being known that Sir Hugh Allan had entered into this arrangement with American capitalists, it was known to every one—a feeling of fear arose in Ontario, especially in Toronto, that the Pacific Railway might get into American hands and under American control, or might get into American and Montreal hands, and that in the construction of the Board the interests of Ontario might be forgotten or neglected.

This, I think, added to the urgent request of myself on frequent occasions to a number of gentlemen in Toronto, induced I think the formation of the Interoceanic Company. I had spoken to Mr. Macpherson, Mr. Howland, Mr. Cumberland, Mr. Worts, and a number of other gentlemen in Toronto, to try to interest them in it, and the Company was formed. Mr. Macpherson took a warm interest in the forming of it early in the autumn of 1871. The statement had got into the newspapers, and the impression had gone abroad that American capitalists were not interesting themselves in the Canada Pacific Railway on its own merits, but that they were connected with the Northern Pacific Railway, and were endeavouring to make it subservient to the interests of that railway; and the fear arose and spread through Canada, that our railway would be made subordinate to American interests if they were admitted to any share in the enterprise. I was one of those who participated in that fear, and it seemed to be also the opinion of my colleagues, including, latterly, Sir Francis Hincks when he found that the opinion was generally shared by his colleagues against the admission of foreign capital, and that the object of the Americans in getting control of our railway was to connect it with their system of railways. I think the Government became as one in the opinion that American capital should be excluded, although we had not come to any formal decision on the matter. During the Session of 1872 we found that those who usually supported the Government—that the majority of the House of Commons were of the same opinion. It soon became apparent to everyone, I think, to Sir Hugh Allan who was here occasionally promoting the Bill for the incorporation of the Canada Pacific Company, that Parliament would not sanction any scheme which would involve the admission of American capital.

The Government then came to the conclusion that as there were two great bodies of capitalists, one from Montreal and the other from Toronto, both petitioning for Acts of Incorporation, I say the Government came to the conclusion to aid in the passage of Acts of Incorporation of any respectable body of persons who would apply for that purpose; and then the Government might judge afterwards which of the Companies would best subserve the interests of the country, and give them the construction of the road. At the same time we submitted to Parliament the Government Bill, to which allusion has been made, enabling the Government to give the contract to any Company that might be incorporated for the purpose with provisions for the amalgamation of those Companies, and with a provision, if it was thought for the advantage of the country that a Royal Charter should be granted, giving the Government the power to grant such Royal Charter. The Government Act contained a clause to enable the Government to grant a subsidy in land and money. There were two Acts of Incorporation passed, as has already been several times brought before your notice; one for the Interoceanic Railway Company, of which the principal seat was in Toronto, and the other for the Canada Pacific Railway Company, the principal seat of which was in Montreal. So soon as the Session was over, which I think was in June, when Parliament was prorogued, the Government addressed itself to the task of attempting to procure the amalgamation of these two Companies. They represented the interests principally of Quebec and Ontario, although I believe both of those Companies contained names of gentlemen as Corporators from the other Provinces. Still it was generally understood that the Interoceanic Company was the Ontario Company, and that the Canada Pacific was the Quebec Company. The policy of the Government, from the time of prorogation until now, I may say, had never varied. It was that an amalgamation of these two Companies should be procured if possible. We were satisfied that such was the jealousy that had arisen between the two Companies, that it would be impossible to give the Charter to either of these Companies, that is the construction of the road to either of these two Companies. We knew that no Government could exist that would give the contract to either section. If it were given to Sir Hugh Allan's Company, the Government would be certain to alienate the support of their Parliamentary

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friends from Ontario, and *vice versa*; so that we spared no pains in the attempt at amalgamation. The Canada Pacific Railway Board always expressed their willingness to amalgamate. The Interoceanic Board expressed an unwillingness to amalgamate. Immediately after the Session of 1872, or shortly after, I went to Toronto for the purpose of seeing my friends there who were interested in the Interoceanic Company, and I pressed them as much as possible to acquiesce in the amalgamation. The elections were to come on between July and September, and we felt as a Government that it was very important to us to go to the country with a scheme perfected and an amalgamation effected with the capitalists of Ontario and Quebec, ready to co-operate in the construction of the Pacific Railway.

After talking the matter over with Mr. Macpherson and other gentlemen in Toronto, I wrote to Montreal and I asked Sir Hugh Allan to come up to Toronto, and Mr. Abbott, a member of Parliament, and who had taken great interest in the Canada Pacific Railway, also to come to Toronto and discuss the matter with Mr. Macpherson. Sir Hugh Allan wrote me that it was impossible for him to come up, but that Mr. Abbott might. Mr. Abbott did come up, and saw Mr. Macpherson, and you will find in the evidence given by Mr. Macpherson a memorandum of the substance of the conference between those two gentlemen. That memorandum I believe to be substantially correct from the information that I had from both of the gentlemen who attended it.

I left Toronto to go to Kingston, to attend to my own election, impressed with the idea that there were no insuperable difficulties in the way of amalgamation.

They had approached very nearly each other. There were only two points of difference. The one was the question of the Presidency, and the other was the number of the Directors. With respect to the number of Directors, it was suggested that they should be thirteen. This suggestion emanated from the Government. We took the number in the Cabinet, which was thirteen, as a sort of precedent, and it was suggested by the Government that the Board of Direction should be chosen in the same way that the Cabinet had been selected; that there should be five members of the Board from Ontario, four from Quebec, and one from each of the other Provinces. That is a detail in which they varied from the Cabinet, as there are no representatives from Manitoba and British Columbia in the Cabinet. We thought that would be a fair mode of adjusting the representation of the Board, and adequate to represent the interests of the different Provinces on the Board. I think it was Mr. Abbott's proposition on behalf of the Canada Pacific Company, that instead of thirteen there should be seventeen Directors for some reason or another; that it would require a larger number of members to represent all the interests; but, as will be seen by the Memorandum, Mr. Macpherson did not approve of this, but thought that this point might be yielded, although it was not, of course, so advantageous for Ontario to have seven representatives as against six from Quebec, as it would be to have five from Ontario against four from Quebec, on a Board of thirteen members.

Then, as regards the Presidency, Mr. Macpherson always held to the same position; that he did not look forward to it himself, he did not press his own claim for it in any way, but he thought that Sir Hugh Allan, from his having originally made this arrangement with the Americans, if he were placed in the position of President, from his acknowledged wealth and influence, would have too much power on the Board, and that he might exercise that power in favour of bringing in American capital.

Still it seemed to me, that as that was really the only question, that is, the question of the Presidency—that we were very near an amalgamation, and I left Toronto, as I have said, impressed with the idea that that difficulty would be removed or could be removed, and that there would be an amalgamation.

When I was at Kingston, attending to my election, I was communicating, I may say, with Sir George Cartier, giving him an account of the progress I had been making at Toronto, and my communications were always of an encouraging nature because I believed that the two Companies would be amalgamated and we would get over this difficulty.

When I was at Kingston Mr. Macpherson came there either to see me, or was there accidentally, I really forget which, but he was at Kingston, and we had a discussion about it, and I found the difficulty still existing about the Presidency, and I made up my mind that there was no use in attempting to procure the amalgamation before the elections, and that matters should be allowed to stand on the terms as discussed between Mr. Macpherson and Mr. Abbott at their meeting in Toronto. I telegraphed Sir George Cartier in that sense. That telegram is set out in the affidavit of Sir Hugh Allan made in Montreal. I have, however, got a rough draft of it. The telegram is dated the 26th July, and is herewith produced and filed marked "G."

I may say, with respect to the expression in that telegram, "that this should be

“accepted by Sir Hugh Allan:” that I had regretted to find that there had been a sort of coolness between Sir Hugh Allan and Sir George Cartier, and not only between Sir George Cartier and Sir Hugh Allan, but between Sir George and his Lower Canadian friends. They had got the idea that Sir George was not so friendly as he ought to have been to the Northern Colonization Road, in which a large number of Lower Canadians took great interest, especially the Montrealers, and of which Sir Hugh Allan was President, and that in fact they had got the impression that Sir George Cartier was throwing cold water on all those enterprises which Sir Hugh Allan had entered upon, and this, of course, unless it were removed, would be fatal to Sir George Cartier, and in Lower Canada would lose him Parliamentary support, and, of course, lose the Government Parliamentary support. The idea had been industriously spread abroad that Sir George, as being the Solicitor or Counsel of the Grand Trunk Railway Company, was not anxious to promote any Railway enterprise that might be a rival or competitor of that Railway. This was so much the case that a good deal of feeling had been created respecting Sir George Cartier’s supposed course of action, and that a deputation, which has been already spoken of, which I am aware had come to Ottawa to press upon him, so far as they could, the necessity of taking an active interest in the Northern Colonization Road and other Railways, extending the Northern Colonization west, including the Pacific Railway, and that the Montreal interest, as represented by Sir Hugh Allan, should not be ignored. I sent that telegram on the 26th of July, and I was glad to receive a communication from Montreal, I am not sure whether it was from Sir George himself, or from Mr. Abbott, or Sir Hugh Allan, but from one of the three, stating that Sir George had expressed himself with respect to all these enterprises in a manner which satisfied the Montreal interest, including Sir Hugh Allan and his political friends in Montreal. And I may say here, that it was on hearing that, that any communication arose respecting election funds. When Sir George Cartier and I parted in Ottawa, he to go to Montreal and I to go to Toronto, of course, as leading members of the Government, we were anxious for the success of our Parliamentary supporters at the elections, and I said to Sir George that the severest contest would be in Ontario, where we might expect to receive all the opposition that the Ontario Government could give to us and to our friends at the polls. I said to him you must try and raise such funds as you can to help us, as we are going to have the chief battle there. I mentioned the names of a few friends to whom he might apply, and Sir Hugh Allan amongst the rest, and that he was interested in all those enterprises which the Government had been forwarding. When, therefore, I ascertained that Sir George had put it all right with his friends, I then communicated to my friends in Montreal, Sir George and Mr. Abbott, stating I hoped they would not forget our necessities; that they would see to raise some funds for us in Ontario.

On the 30th, I think, of July, I received a letter from Sir Hugh Allan, addressed to me at Kingston, stating that he had come to an arrangement with Sir George Cartier. He did not send me a copy of the arrangement itself, but he said he had come to an arrangement and had reduced it to writing, stating generally the terms of the arrangement. I was not satisfied with this. It was not in accordance with my telegram of the 26th, and although it was exceedingly inconvenient for me, for I was in the heat of my election, and was receiving a most stern opposition, I telegraphed back at once that I would not agree to it at all, but that I would go down to Montreal that night or the next night, and see them, so that there might be no mistake or misapprehension in the matter. It appears that Sir George Cartier saw Sir Hugh Allan at once, and informed him that I objected to the arrangement that had been made, and that unless the proposition contained in my telegram of the 26th July was adhered to, that I would go down to Montreal and discuss the whole matter with them. I then received two telegrams, one from Sir Hugh Allan and the other from Sir George Cartier, which I fortunately kept, which I shall read. This is dated 31st July. It is from Sir George Cartier. It commences as follows: “I have seen Sir Hugh Allan. He withdraws the letter written “to you, since you make objection to it, and relies for a basis of arrangement on your “telegram to me, of which I gave him a copy, &c.”

I hereby produce and fyle it marked “H.”

At the same time I received this one from Sir Hugh Allan, addressed to myself of the same date. It commences as follows: “I have seen Sir George Cartier to-day, you may “return my letter, &c.”

I hereby produce and fyle it marked “I.”

That was the only arrangement that was ever made between the Government and Sir Hugh Allan, or the Canada Pacific Railway Company which he represented, and I had no discussion or conversation in a contrary sense, either from Sir Hugh Allan or any

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member of his Company, or from Sir George Cartier, from that time until this. That was the arrangement that was made, by which, till the elections were over, the whole matter connected with the construction of the Pacific Railway should stand in abeyance and that after the elections were over an attempt should be made to amalgamate; and that these two gentlemen, Mr. Macpherson and Sir Hugh Allan, should meet in Ottawa, and form a Provisional Board.

I see that it is mentioned by Mr. McMullen in one of his letters, that there was a subsequent arrangement made on the sixth of August between Sir George Cartier and Sir Hugh Allan. If such an arrangement was made I am quite unaware of it, and more than that I don't believe it.

I am quite satisfied that if Sir George Cartier had made any such arrangement, he would have mentioned it to me. Sir George was a man of the highest honour, and between him and myself there were no political secrets, and if he had made any arrangement of that kind respecting the railway he certainly would have communicated it to me.

I observe that Sir Hugh Allan says in one of his letters, which has been published, dated the 6th or 7th of August, he "yesterday concluded an arrangement with Sir George Cartier." The way I read this is that by yesterday he meant a day or so before, which would be about the 30th July when he signed these papers.

After the elections were over, we renewed our attempts to promote the amalgamation of the Companies.

At my request, my colleague, the then Postmaster General, Mr. Campbell, went to Toronto, with what results you know from his own statement. Early in November, about the 7th or 8th of November, I went to Toronto, and once or twice I thought I had succeeded in overcoming the reluctance of Mr. Macpherson, but after discussing it with him frequently, and pressing all my views upon him, I had at last to leave Toronto unsuccessful in my mission. On my return to Ottawa the Government then addressed itself to the formation of a Company under a Royal Charter. As I have already stated, the Government were satisfied that it would be in the highest degree inexpedient and impolitic to grant the construction of the Road to either of the incorporated Companies. We came to the conclusion that we should exercise the power conferred upon us by the Government Act of the Session of 1872, and endeavour to form a Company in which all the different Provinces would be represented in one, as I have mentioned. And we did grant that Charter as is known.

In the selection of the first Board of Directors and shareholders, the Government had only the one object: that of getting men who would command the confidence of the country, either from being men of capital or being men of known standing, or of being men especially acquainted with the subject of the construction of Railways. The names of various gentlemen were discussed, some were originally selected and afterwards changed. At first the Government thought of some leading men who were in Parliament on account of their wealth and standing. There were several gentlemen who were selected who were members of one house or the other, but afterwards on consideration of the whole question, the Government came to the conclusion that it would be better to exclude all members of Parliament from the Board.

There had been a motion made in the House of Commons during the previous Session to exclude members of Parliament from the Company, and some feeling had been shown on the subject.

The Government therefore came to the conclusion that under the circumstances it would be better to exclude members of Parliament from the Directory.

And now I would state the reasons, so far as I know them, why the gentlemen composing the Board of Direction were chosen.

In Ontario there were five gentlemen selected. Major Walker, of London, was chosen as being a man of standing and wealth, and at the head of the oil interest of Western Canada. He had been connected with the Inter-oceanic Company as a corporator, and he was selected as representing the western interest. At first we had asked Mr Carling, the member for London, to be a Director, but when we came to exclude members of Parliament, Major Walker was selected in his stead. He was selected without any reference to Sir Hugh Allan, or the Quebec interest at all. I don't know whether Sir Hugh Allan was acquainted with Major Walker before or not.

Mr. McInnes was selected as a leading merchant at Hamilton. He was known to Sir Hugh Allan. He was a member of the Canada Pacific Railway Company. He is a western man, and of high standing and character, and the Hamilton interest could not be ignored. Mr. McInnes was in England at the time, and when selected by myself, I telegraphed him by cable, and got his answer by letter accepting.

Col. Cumberland was selected as being a Railway man, and a civil engineer of high

standing, and as being a great personal friend of myself. He was going to England at the time, and I asked him if he would agree to serve. He said he would rather not, but that I might command him either in the Company, or out of the Company, if he could be of any service, and I selected him.

Mr. Sandford Fleming was selected by myself and he also went on the Board with the greatest reluctance, and it was only by my strong pressure that he consented. I may add that Sir Hugh Allan was strongly opposed to his being appointed in the Board. He did not object to Mr. Fleming, from any personal reason, but he thought that his services as an engineer would be of more value to the Company if he were not in the Board. I thought that it would be a great advantage to the Company to have a man of Mr. Fleming's standing on the Board, and I insisted on his appointment.

Mr. Shanly was the last; he was placed on the Board at my suggestion. I asked him to serve on the Board. He declined at first, and he came to see me especially on the subject, and at my earnest solicitation he became a member of the Board. He was a member of the Inter-oceanic Board. The Directors for Nova Scotia and New Brunswick were selected by my colleagues in the Government from these Provinces. And I believe in both cases without communication with Sir Hugh Allan, and certainly not at his instance. With respect to Nova Scotia, Mr. Collingwood Schreiber, an Upper Canadian originally, but who had been connected with the construction of railways in the Maritime Provinces, was originally selected as a Director to represent Nova Scotia, but afterwards as Governor Archibald had returned from Manitoba, and as he was a man of high standing and great influence in Nova Scotia, he was substituted by the Nova Scotia members of the Cabinet for Mr. Schreiber.

Mr. Burpee, as Mr. Mitchell has said, was chosen by Mr. Tilley and himself, without any reference to Sir Hugh Allan.

As regards the members of the Board from Quebec, there was first Sir Hugh Allan himself, Mr. Beaudry, a merchant of high standing in Montreal. He may be considered, though I don't in fact remember, as being selected by Sir Hugh Allan, as being his special choice. Mr. Hall was selected by Mr. Pope to represent the Eastern Townships on the Board. Sir Hugh Allan pressed strongly for the appointment of Mr. Foster, or a person representing Mr. Foster. Mr. Foster himself could not be a member of the Board after we came to the conclusion to exclude members of Parliament, as he was a Senator. Sir Hugh Allan therefore desired to have a representative of Mr. Foster on the Board, but Mr. Hall was selected by Mr. Pope.

Hon. Mr. Beaubien, the Commissioner of Crown Lands for Lower Canada, was named by Mr. Langevin. He selected Mr. Beaubien to represent the District of Quebec interest as separate from the Montreal district interest.

The Charter was framed with great care. The principal heads of it were prepared by myself; that is, the leading principles of the Charter were jotted down by myself, and acquiesced in by my colleagues, and were communicated to the gentlemen whom we had selected to form this Board. We had several meetings, I fancy in December and January, at Ottawa, where these matters were discussed.

The provisions of the Charter were added to and enlarged from time to time, and at last Mr. Abbott was selected to meet Mr. Campbell and myself and settle all details of every nature. Mr. Abbott was acting, not on his own account, but as I understood as counsel for the new Company, which was about to be formed. He was early selected as the legal man of the Company, and in that capacity he met us and we worked out the details, most painfully worked at them for a considerable time; had them printed and reprinted, and at last they assumed the form in which they now are in the completed Charter.

I think that I have given you a statement of all the facts connected with the promotion of the Company and what I know of the communications and original arrangements with the Americans. I may say that every precaution that we could think of or that was suggested to us to prevent the Americans getting in either directly or indirectly so as to have control of the Company, was adopted. In the first place, by the election of the thirteen gentlemen who were not only Directors of the Company, but were also shareholders and held all the stock.

They were all gentlemen of high standing and Canadians, and certainly would not, any one of them, be in any way a party to handing over the Canadian Pacific Railway to foreign control. They held the whole of the stock, and not a single share could be transferred for the first six years until the sanction of the Government had been obtained. The reason we selected six years was this; we gave the Company one year—to the first of January next—to raise the necessary funds, and we thought that after five years of active prosecution of the work there would be no fear of the road getting into foreign

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hands, and that point once gained, the less the Government had to do with the stock the better, for it would fetter the transfer of the stock and of course render it less valuable. The uncertainty as to whether a purchaser would be approved of by the Government would operate against the value of the stock in the market.

Q.—Have you any further statement to make?

A.—Nothing further occurs to me.

I can state and propose to take up the question as to the contribution of election funds. As I have already mentioned, when Sir George Cartier went to Montreal from Ottawa, and I went to Toronto, I asked him to endeavour to get what pecuniary help he could from our rich friends in Montreal; and when I was in Kingston at the time of my own election, I got a letter from Sir Hugh Allan stating that he would contribute \$25,000 to the election fund. He used the expression that he would contribute \$25,000 to help the friends of the Administration in their elections. I may say here that I considered myself a trustee to that fund, and certainly did not apply any of that money to my own election.

Q.—Have you got that letter?

A.—No; I destroyed it.

It was simply informing me that he would contribute to that extent.

I paid the expenses of my own election; and in fact, I did not receive any funds at all from Sir Hugh Allan until after my own election was over. I was at Toronto the most of the period during which the elections were being held, going off occasionally to one place or another to communicate with my friends. I got pecuniary assistance where I could. In Canada we have not the same organization that they have in England. We have neither a Reform Club nor a Carlton Club to manage elections, and the leaders have to undertake that for themselves. I found as the contest went on that it was getting more severe; representations were coming to me from all parts of Ontario that the Opposition, to use a general expression, had two dollars to our one, and I redoubled my exertions to get subscriptions from all our friends. Sir Hugh Allan was then in Newfoundland, as I understood, and I wrote twice personally to Mr. Abbott, who was acting in Montreal for him, and twice received contributions to the extent of \$10,000 each.

Q.—Were these sums both from Mr. Abbott?

A.—I am not sure, but I think so.

Q.—That was in addition to the \$25,000, making \$45,000?

A.—Yes.

I see that in one of Mr. McMullen's letters of the fourth of August, published in the 'Montreal Herald,' he states that "over \$100,000 were sent to Sir John A. Macdonald, "from Montreal, besides a large amount paid to the Central Committee." As to the funds I got from Montreal, they are exactly the sums I have mentioned.

As to the contribution of \$25,000, it was sent to me without my having previously asked for it. I had no communication with Sir Hugh Allan, and never asked him for any sum whatever at the time that I received the \$25,000, but I have no doubt Sir George asked him to subscribe, and I got the intimation from Sir Hugh Allan that he had subscribed that amount. The other two sums of \$10,000 each were given at my request. I wrote to Sir George Cartier in Montreal, with respect to these additional advances, that as we had such a hard fight, he must either borrow or beg funds for me, and I have no doubt that he asked for them. I was not aware until I saw the communication in the newspapers, that he had written to Mr. Abbott, to endeavour to get it for me if he could.

I think this is all the statement I have to make.

Q.—Is there any other matter connected with this charge on which you desire to make a general statement?

A.—There are a number of statements made by Mr. McMullen, which I would like to call your attention to or to which I have already adverted, but would wish to specify more particularly. Mr. McMullen in his letter of the 18th of July, states that Sir Francis Hincks suggested that the Government would be obliged to advertise for tenders, in order to avoid blame, so that the conclusion of an agreement would have to be postponed for several weeks.

To that I will say that the idea of advertising for tenders had been mentioned, with many other suggestions that were made, but it never came to anything. The Government never came to any conclusion to advertise for tenders. Indeed we saw that there would be no object in advertising for tenders as we excluded American capitalists altogether. There was no suggestion that there would be any Companies formed in England to build the road, and all the capitalists in Canada who desired to have anything to do with it were parties to the InterOceanic, or the Canadian Pacific Companies, and so

there was no object in advertising. Mr. McMullen says he (Sir Hugh Allan) at one time announced to Mr. Smith and myself that the \$8,500 of which he speaks in one of his letters, had been lent to Sir John A. Macdonald and Sir Francis Hincks in sums of \$4,000 and \$4,500 respectively, with very good knowledge that it was never to be repaid.

With reference to that sum of \$4,000 to myself, that is a complete and utter falsehood. I never received \$4,000 from Sir Hugh Allan. I never had any money transactions with him in my life. He never gave me any money or never lent me any money in his life. It is utterly false, and I have reason to believe Sir Hugh Allan never said so. Mr. McMullen does not state that we received the money, but that Sir Hugh Allan said so to him, but I do not believe he ever did say so, for two reasons:

In the first place, if he ever did it, it would have been a falsehood, and in the next place, when Mr. McMullen came to see me in December, I think it was then that he came to see me, the first time alone after the elections, I forget the exact date, he came evidently for the purpose of attempting to bully me, and levy black mail upon me, and he spoke very mysteriously of what he could prove.

That Sir Hugh Allan had told him some very strange stories about expenditure of money for members of Parliament, and so on. I was very much surprised to hear that statement, and he said among other things, "he never mentioned your name in connection with any of these expenditures, but he has the names of persons who are very near you." I said he could not very well have mentioned my name, because I never had any money transactions with him. In the first place I know the statement is false, and I am satisfied for these two reasons that Sir Hugh Allan never said so. Again Mr. McMullen says:—"I met Sir John Macdonald in Montreal after the close of the Session, while on his way to meet Lord Dufferin at Quebec, and he suggested that as Allan had made so many enemies, I should go to Mr. Macpherson and try to bring about an amalgamation, promising to write a personal letter to Mr. Macpherson, to aid in the desired object." Now that is in substance untrue, entirely untrue, except the single fact that I saw Mr. McMullen. Mind you I did not seek him out, Mr. McMullen sought me out. I was going to Quebec to see Lord Lisgar off for England. I went from here in the steamer, and went direct from one steamer to the other, and did not enter Montreal at all. How Mr. McMullen found out I was on the boat, I do not know, but certainly he came down to see me. He said the Canada Pacific Railway Board was sitting and was going to take some steps. I was very guarded, I did not know what he had to do with it. I understood of course, there were to be no Americans having anything to do with our Pacific Railway scheme, and I did not therefore understand what he had to do with the matter at all, or why he had come to see me. He was a Canadian himself, but I did not know whether he had any stock or interest in the Pacific Company. I was exceedingly guarded with him. I heard what he had to say. He said the Company was organized. I said it is not the slightest use having anything done until there is an amalgamation. He then said to me that he was going to leave Montreal for Chicago, and he thought he would stop at Toronto on his way home and see Mr. Macpherson.

I think I said it would do no harm, or some answer of that kind. I did not encourage him to go. He informed me that he would go. I made no suggestion to him in regard to it. It would be quite absurd to suppose that if I could not persuade Mr. Macpherson to go in for the amalgamation of the two incorporated Companies that he could do so. It is quite a misstatement. Mr. McMullen says again: "After having Sir George sign an agreement, as stated in the letter of August 6th, he commenced paying money, but, as he told me, having Cartier's order in each case, and taking a receipt therefor. When making the agreement he had no idea that the amount of money would be excessively large, and when it had run up to between \$150,000 and \$200,000 he became alarmed, and told Cartier that he must stop paying the drafts which were coming in so rapidly unless the whole Government would sanction the bargain. He then stated that Sir George sent to Ottawa and received a telegram from Sir John Macdonald confirming his action. After this Allan said he proceeded paying out money until he had advanced \$358,000 in addition to \$40,000 drawn from New York." Now this is altogether untrue. He received no such telegram from me. He could not do so, because I never was in Ottawa during that time. I was always in the west attending the elections. From the time I left Ottawa at the end of June or the beginning of July, until the elections were all over, I never was once in Ottawa, and I never made such a communication. It is altogether a falsehood.

Then again as to the meeting which he alleges to have taken place on the 31st of December, he says, "On the 31st of December, I had an interview of some two hours'

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"duration with Sir John, and placed him in possession of all the facts and showed him the letters which I had from Sir Hugh in regard to the matters as well as the original contracts, and the letters to the New York Railroad President, which were recently published in connection with other correspondence." He (Mr. McMullen) came to me and complained very much of the way he had been used; that he had devoted himself for some time to this subject and had been thrown overboard. He did not show me those papers. He read me passages from some of the letters. I recognized some of the passages when I read the correspondence published as some of the passages read. I heard what he had to say and what I then said was that according to his own statement, if his statements were true, and those passages read seemed to carry out his statement that I thought Sir Hugh Allan had not used him well, I said, "he ought to have been more frank with you. He could not if he had tried have obtained what he wanted to get. He must have ascertained that last session. He could not by any possibility have effected the purposes you wished him to effect of getting your associates the American capitalists interested in the Company. He could not do so, the public feeling was so great." The feeling expressed in Parliament, and the policy of the Government were all opposed to it, so that, however willing or anxious Sir Hugh Allan might be to carry out that arrangement, it was impossible to do so, and his fault I thought was in not having at once candidly told the American gentlemen with whom he had made this agreement, that such was the fact. On the 23rd of January, that was a very short time before the contract was signed, and after all arrangements had been made, and the selection of the Directors or most of them had been completed, Mr. McMullen came accompanied by Mr. Smith, of Chicago, and Mr. Hurlburt, of Chicago, and they went over the story again. They told me that they had been very badly used, and they had in good faith advanced for preliminary expenses of the Railway a sum of money, that is for the preliminary expenses of the Canada Pacific Railway Company which was incorporated. I stated to them that of course Sir Hugh Allan was liable to them for that money, and must, it seemed to me, as a matter of course, refund it, if he had not already done so. They said they would not put up with such conduct and would see him. I said it is your own affair. Mr. McMullen said they would seize his ships in American ports and take proceedings against him. I said it was quite open for them to do so. I went so far as to say, "I think you are quite right, if I were in your place I think I would proceed against him." They said they would go down to Montreal, and both Smith and Hurlburt said, "You must distinctly understand that we do not come here for the purpose of black-mailing you or black-mailing the Government, but for the purpose of stating our case." In fact they wanted to know whether, by any chance, they could be admitted to have an interest in the Railway.

That was, I understood, the object of their communication. I said to them that it was utterly impossible; that American capital must be excluded, and that the Company must be formed by Canadians, and was, in fact, in process of formation, in the manner in which it now presents itself. They said they would go down and see Sir Hugh Allan, and return this way and see me. I said I would be very glad to see them, and if I could be of any service in settling matters between Sir Hugh Allan and them, I would be very glad.

They did not come this way, however, but I received a letter from Mr. Smith, of Chicago, making a great complaint, that they were excluded, and he wanted to know if I would have any objection to their petitioning the Canadian Parliament for redress. I did not answer that letter. There is a report appearing in the 'Chicago Times' of September 3rd, which was sent to me, containing an account of an interview between a reporter of that newspaper and Mr. McMullen in Chicago.

Q.—Which Mr. McMullen?

A.—Mr. George W. McMullen. Most of that report repeats what has been already published, but I wish to recall the attention of the Commission to it. He says: "That we went to Montreal in September, 1871—and arranged preliminaries—Sir Hugh was to be the agent of the Government. He was to receive for himself a large interest, and an amount of stock which was to be placed where it would do most good, and the cash instalments on the stock were to be advanced by us."

The interviewer asked then—"Was the Government aware of this?"

Mr. McMullen replied: "I told Sir John Macdonald all about it before our meeting with Allan. At the Premier's request I visited him after the meeting at Ottawa, and told him everything, and he was well satisfied." As I said before, I saw Mr. McMullen at the St. Lawrence Hall, and he told me what was doing. I heard him. On both occasions my statements were uniform, that the Government could not enter into any arrangement until after Parliament met.

He reverts in that interview to a statement that Sir Hugh Allan had informed him that he had loaned \$4,000 to me; that Sir Hugh Allan had said so.

"Some time after this, Allen stated that he had loaned \$4,000 and \$4,500 to Sir John A. Macdonald and Sir Francis Hincks respectively, with the knowledge that it was never to be returned." That is untrue. I have already explained why I believe that Sir Hugh Allan did not say so, and if he had said so, Mr. McMullen told me a falsehood when he said that Sir Hugh Allan had never mentioned my name in connection with these transactions. Here is another statement. The Reporter says: "Have you any further proof that the Government was aware of Sir Hugh Allan's bargain with Cartier?"

Mr. McMullen said: "I do not feel at liberty to submit all for publication. I will give a short item that will probably be sufficient. Shortly after the elections were over, and while Sir Hugh Allan was pressing for a fulfilment of his bargain, he began to think that the Government intended to play false. He prepared a complete transcript of all the transaction between him and Cartier and Macdonald, the contracts, supplementary contract, orders for money, telegrams for money, telegrams of Sir John, and memoranda generally, all ready for publication. On the following morning the Government was notified of this, and they yielded to the threat." I can only say that I never heard of such a statement; never saw it; no such threat was ever made, and no communication of the kind was ever made. It is a falsehood complete and entire, without one semblance of truth. Here is another statement which, perhaps hereafter, before this Commission closes, can be more specifically replied to, as it is not a subject with which I am very conversant. The Reporter says: "But \$400,000 is a pretty good sum of money for one man to lose. Does Sir Hugh really suffer this loss?" Mr. McMullen says: "Sir Hugh is President of the Merchants' Bank of Canada, a very large institution, which in its current Report shows a Government deposit, without interest, of over \$1,200,000, and as all its funds are directly under his control, it is safe to suspect that up to the present time he is even. I understand that another bank in Montreal furnished a portion of the sum by discounting notes secured by Allan's endorsement, and that these are still being carried. This bank also has over \$300,000 of Government money on the equally liberal terms of no interest." That statement is untrue. I do not believe the Merchants' Bank have ever at any time deposits of over \$300,000 without interest. Funds accumulate in the different banks, and any profit goes to the shareholders and in no way to Sir Hugh Allan except as he is a shareholder. But the sum of \$1,200,000 is altogether false. I think these are all the remarks I have to make.

There is one more statement which I desire to make in justice to Mr. Hillyard Cameron. It is stated that at my pressing instance Sir Hugh Allan advanced money or discounted a note of Mr. Cameron's of some \$5,000. Mr. McMullen says: "The Chairman of the Investigation Committee applied through the Premier for a loan of \$5,000 after the elections were all over, and as Allan supposed he was through paying, he objected, but after a personal visit of the Postmaster-General to Montreal, and the urgent telegrams and letters of Sir John, who announced that it was to help us, the thing was done." The circumstance was simply this: Mr. Cameron told me—we are very great friends—that he was very hard-up, and that he wanted some money and was anxious to get a discount, and he asked me if I would drop a line to Sir Hugh Allan asking him to get his note discounted by the Merchants' Bank. I wrote down asking Sir Hugh to use his influence to get a discount for Mr. Cameron for \$5,000, and he got that discount. That is all I know about it. That was in January, before this Investigation Committee, as it is called, was thought of. Parliament did not meet until March. Mr. Huntington did not make his charge against the Government respecting the Pacific Railway until April, and such an idea as the charge being made or the Committee being struck, had certainly not occurred on the 23rd January, 1873. I have just this further to say, that when it was proposed to strike the Committee, there was a good deal of excitement in the House at the time on the subject, as of course you cannot but be aware of, and it was the opinion, or it was believed, as it proved, that there would be a strong party struggle as to the composition of the Committee. I suggested some names to be on that Committee, to my friends. Mr. Hillyard Cameron was not one of those whom I suggested, and when I found it had been so arranged by some of our friends I was disappointed, and expressed my disappointment. So that Mr. Cameron was put on that Committee, I may say, without my consent, I having suggested another and a different member of Parliament, and was quite disappointed that Mr. Cameron was selected. I feel bound to state this in justice to Mr. Hillyard Cameron.

Q.—Mr. McMullen's letters seemed to allege that copies were given you of certain letters between him and Sir Hugh Allan. Did you see these letters?

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A.—On the 23rd of January he saw me and said he would send me copies, and he did send me copies.

Q.—Are these copies of the originals which were afterwards included in the sealed packet?

A.—Yes, I think so.

I have got them.

Q.—Are you able to state whether these copies you have are copies of the originals here?

A.—I have got all the copies.

It would take some time to bring them now, as they are at my house.

Q.—You will produce them to-morrow?

A.—I did not get them on the 23rd of January. He promised to send me copies of all the papers, and I subsequently got them.

Q.—Had you any knowledge that that correspondence was going on at that time?

A.—No.

Q.—When did you first become aware of it?

A.—I became aware of this correspondence by seeing it in the 'Montreal Herald.' Of course I was aware of the correspondence at the time I got the copies, and I next saw it in the 'Montreal Herald.'

And further for the present deponent saith not.

And on this eighteenth day of September reappeared the said witness, and continued his deposition as follows:—

Q.—Have you any knowledge of the sealed packet of papers which was placed in the hands of Mr. Starnes?

A.—The first I heard of these papers was when application was made on the floor of the House by Mr. Huntington to have them impounded. I then afterwards saw the packet when it was produced before the Committee by Mr. Starnes. It was sealed, and the members of the Committee who were present put their initials in the vicinity of the seal, but it was not opened.

Q.—Is that envelope now shown to you the one which you saw?

A.—I have no doubt but that is the one. I recognize Mr. Hillyard Cameron's writing on it, and also that of Mr. Blanchet and Mr. Dorion.

Q.—Will you have the kindness to look at the letters contained in that sealed packet, and numbered from 1 to 19, and say whether the copies which have been given to you are copies of these letters?

A.—I would say with respect to these copies that Mr. McMullen, at the meeting which I have spoken of already, stated to me that he would send me copies of the correspondence between Sir Hugh Allan, and Mr. Smith and himself. He did send me copies of that correspondence two or three days after. I see in that correspondence two letters addressed to a gentleman in New York. These letters appeared in the 'Montreal Herald,' and, I think, without the name of that gentleman.

His name I see in those papers. These letters belong to that gentleman, and I do not wish to be a party to making them public, but I will hand them in to the Commission.

On comparing the correspondence sent me with that in the packet which was placed in Mr. Starnes' hands, I may say that there are two telegrams, and a letter previous to the 8th of December, 1871, the earliest date of any communication in the packet.

Q.—Do these copies of the correspondence which were sent to you purport to be copies of a correspondence between Sir Hugh Allan, Mr. McMullen, Charles M. Smith, and this New York gentleman?

A.—Yes.

Q.—These copies have continued in your possession since you first received them?

A.—Yes.

Q.—No copies of them were given by you to any person?

A.—None.

Q.—I perceive that there are some statements in these letters, several of which I wish to call your attention to. In the letter of the 28th of February, 1872, Sir Hugh Allan mentions the distribution of stock in the Canada Pacific Railway Company, \$100,000 to Mr. Macpherson; A. B. Foster, \$100,000; and so on. Have you any knowledge of an arrangement between Sir Hugh Allan and these gentlemen, of that kind, or of any arrangement which Sir Hugh Allan proposed to make with respect to the distribution of stock?

A.—Not the slightest. I never saw this document or knew that Sir Hugh Allan proposed to distribute the stock among Canadians in this proportion; but I heard from Mr. Macpherson that in a conversation which he had with Sir Hugh Allan, that he had

mentioned or written the manner in which he thought it would be right that the stock, in the case of amalgamation, should be distributed in Canada, but the particulars I do not know.

Q.—Then there is the letter of the 7th of August, to which you have already adverted in your examination in chief. In the letters of the 6th and 7th of August, two distinct letters, Sir Hugh Allan states that “We (meaning himself and Sir George Cartier) yesterday signed an agreement by which on certain monetary conditions they agreed to form a Company of which I am to be President, to suit my views, to give my friends a majority of stock, and to give the Company so formed the contract for building the road in the terms of the Act of Parliament, which are \$30,000,000 in cash, and 50,000,000 acres of land, with all the advantages and privileges which can be given to us under the Act.” Have you any knowledge of what agreement he refers to in that statement?

A.—No; the only agreement is the one I have mentioned in my examination, namely, that of the 30th July, to which I objected.

Q.—You have no knowledge of such agreement being made on the 5th and 6th August, by Sir George Cartier, or any other member of the Government?

A.—No, I don't believe he ever did make such an agreement.

Q.—Do you know of any agreement which was entered into between Sir Hugh Allan and Mr. McMullen, and certain capitalists in New York, in relation to the construction of the Pacific Railway?

A.—Yes.

Q.—When did you first become acquainted with that agreement?

A.—I know that Sir Francis Hincks had mentioned to Sir Hugh Allan the names of these gentlemen, and had suggested that Sir Hugh should put himself in communication with them. After that I cannot speak with any certainty. I was not aware that any arrangement had really been come to until shortly before Sir Hugh Allan came with these gentlemen to Ottawa, and then when they came to Ottawa we declined to enter into any discussion of the matter with them.

Q.—Did you see the agreement?

A.—Not until I received a copy of it from Mr. McMullen.

Q.—Is it among the papers you handed in?

A.—No; I have only given you the correspondence. I also produce and fyle other papers marked “K.” Though these I received at the same time as the copies of the correspondence, the papers I now produce show drafts of Sir Hugh Allan to the extent of \$40,000 mentioned in Mr. McMullen's letter, and the contract as originally entered into in New York, with a modification of it afterwards.

Q.—When was the decision arrived at by the Government to exclude American capital?

A.—I don't remember when there was a formal announcement of our policy on that point, but from the time it was first mooted in the press that American capitalists who were seeking to be concerned in the construction of road, were interested in the American Northern Pacific Railway and other United States systems of railways, the Government began more and more to doubt the expediency of allowing American capitalists to have anything to do with it. The Government was not favourable to allowing Americans to come in, inasmuch as we foresaw the difficulty of preventing the control of the road, after its construction, from falling into their hands if they were allowed to construct the road. This feeling grew in the country more and more intense as the subject was discussed by the press, and as public excitement and public feeling was increasing against it, the Government individually, and as a body, before Parliament met, came to the conclusion that it was impossible to allow Americans to have any interest in the road.

Q.—Was this before April, 1872?

A.—Before April, 1872. When Parliament met and I had an opportunity of seeing the members of Parliament, it was then evident that this was the general, almost the universal, feeling in the House.

Q.—Was any encouragement at any time given to the proposal to build the road with American capital by the Government or any member of it?

A.—No, except the communication I have already mentioned made by Sir Francis Hincks, I am not aware of any communication of any kind between any member of the Government and these gentlemen. On the two occasions when these gentlemen were present in Ottawa I principally conducted the conversation with them, and certainly I gave no encouragement to Mr. McMullen or the American capitalists.

Q.—Was there any communication or correspondence with Sir Hugh Allan on the subject which would lead him to believe that the Government would favour that mode of building the road?

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A.—No, I am certain Sir Hugh Allan when he came up he found out that the Government and Parliament were equally opposed to the admission of American capital.

Q.—You say when Sir Hugh Allan came up here he found that out. Can you fix the date?

A.—No, I don't at all remember. I remember this fact, however, that Mr. Abbott, who took a great deal of interest in the promotion of the Bill before the House, stated distinctly to me as a member of the Government that he had undertaken it on the solemn assurance that only Canadian capital should be concerned in the enterprise, and that he had that assurance from Sir Hugh Allan.

Q.—When did the Government first determine to unite the interests of Ontario and Quebec and the other Provinces together in one common Company for the building of this road under the Royal Charter?

A.—Immediately after my return from Toronto, in November, I think. I got here about the 22nd of November. We then came to the conclusion that we would not—although the Interoceanic Company had declined to have any amalgamation—give the construction of the road to the Canada Pacific Company, but that we must issue a Royal Charter. Even if they had consented to an amalgamation taking place between the two Companies, it would have been too late to amalgamate under the Act. By the Government Act it is provided that the amalgamation must take place within one month after the passing of the Act; so that if the two Companies had amalgamated they could only have gone on under one of the Acts of Incorporation. It would have been a matter of indifference whether they proceeded under one of the Acts of Incorporation or under a Royal Charter.

Q.—At what time was it that the Government determined not to give the contract to the Canadian Pacific Company, and contemplated the formation of another Company by the amalgamation of the Interoceanic Company with that of the Canada Pacific, for the purpose of carrying on the work?

A.—We at no time contemplated giving the construction to any one of the Companies, but we formally came to the conclusion to grant a Royal Charter on my return from Toronto.

Q.—When was the idea of forming the Interoceanic Company first originated?

A.—During the summer or autumn of 1871. I had been pressing Mr. Macpherson, Mr. Wm. Howland, son of the Lieut.-Governor, Col. Cumberland, and other gentlemen to take up the question, and had spoken to my friends and leading men in Ontario, not to allow Americans to come in and build the railway.

Q.—Have you any reason to believe that the Company was formed because of the opinion you expressed to your friends in Toronto?

A.—I am sure of it.

Q.—Was it from the beginning formed upon the basis of excluding all American capital?

A.—No. With respect to the Interoceanic Company I am not perfectly informed; I do not think that when they first commenced to discuss the formation of the Interoceanic Company, they contemplated the exclusion of American capital; I think on the contrary, that in the Interoceanic Company's Act of Incorporation, if I remember aright, there is some provision that the majority should be British subjects; I forget now what the expression is, but there is something in that Act which from my recollection indicates that there was no positive exclusion of American capital.

Q.—Was there anything which indicated an intention to exclude the controlling influence of American capital in the road?

A.—I have no doubt that they had that in their minds; that those who were promoting the Interoceanic Bill had determined that they would not allow American capital to have control. I have no doubt that that was one of the inducements to their getting up the Company. In the first place they thought it was a great thing for Canadians to be engaged in that great national enterprise. In the second place, as I thought myself, and as I expected they thought that Canadians ought to be interested in it, and no doubt their desire to be interested in it was greatly increased by their fears and the rumours which some of them had heard that it was an attempt of American capitalists to get hold of the control of this great work, but I cannot speak specifically on that.

Q.—Have you stated at what time you gave up the expectation of bringing about an amalgamation between these two Companies?

A.—About the 14th, 15th, or 16th of November. I had thought at one time that I had succeeded in removing all the objections, and that amalgamation would have taken place, but I failed.

Q.—Was it at that period that the Government determined on issuing the Charter of the present Company?

A.—I returned here about the 22nd November, and of course we had no time to lose. We immediately addressed ourselves to get up a Company composed of representative men from all the different Provinces who would accept the Royal Charter.

Q.—Was that determination the result of the failure to bring about the amalgamation?

A.—It was.

Q.—You stated yesterday that the number of Directors in the Company is thirteen, and the distribution was a good deal governed by the principle which had governed the selection of members of the Cabinet. Was there any inequality of condition or advantages among the several Directors?

A.—There was not. I forgot in my statement yesterday one or two points. In speaking of the personnel of the Directory, I forgot to allude to the two Directors from British Columbia and Manitoba. With respect to Manitoba, the Government asked Mr. Donald Smith, a member of Parliament from that part of the country, the representative man in Canada of the Hudson Bay Company, to be a member of the Board. The Government thought it would be a great advantage to get the assistance and influence of that powerful corporation in England if the Company had to go to that market to borrow, to get them interested in the Pacific Railway, and we asked Mr. Smith to become a Director; and with that view, and a person greatly interested in the matter, he attended several of the informal meetings that we had. We had a good many of them here; but when the Government came to the conclusion to exclude members of Parliament, Mr. Smith was, of course, excluded, and we consulted him as to getting a representative man from Manitoba. He recommended Mr. McDermott, whom he represented to be a wealthy merchant in Winnipeg, for whom he acted, and from whom he had procured a power of attorney to act. That is how Mr. McDermott was appointed. In the same way Mr. Helmeken, of British Columbia, was appointed. He is a gentleman of very high standing there, who was one of the delegates to Canada to settle with the Canadian Government as to the terms of union between British Columbia and the Dominion, and who was afterwards asked to become a senator, from his well-known high standing and character in British Columbia; and I know, as a matter of fact, that he was asked to be the first Premier since Confederation, by Lieut.-Governor Trutch. He also declined that. He is considered a man of high standing, and, therefore, we asked him to become a Director. He did become a Director, and Mr. Nathan, a member of Parliament from British Columbia, representing Victoria, was his attorney. I had forgotten to mention these two things.

Then you asked me as to whether there was any advantage of one Director over the others. There was none. The plan upon which the Government acted was this; there were to be thirteen Directors, each to take one-thirteenth of the stock, and each to pay up a tenth to form a deposit of \$1,000,000 which the Government Act required. We stipulated with these Directors that they should be in fact trustees for their several Provinces; that they should not hold more than \$100,000 each of stock at first, on which they would each pay \$10,000; and that they should give an opportunity to the people of their different Provinces to subscribe for the rest of the stock as they chose. Such subscription being of course provisional, until sanctioned by the Government, as it was a provision that no transfer could be made of any shares without the consent of the Government, and then, in case the stock was not subscribed in the different Provinces, whatever was unsubscribed should be placed in the open market with the same condition that no person should get any stock whatever until their names were submitted and approved of by the Government.

Q.—Who was elected President?

A.—Sir Hugh Allan.

Q.—Do you know whether he was elected through the influence of the Government?

A.—I know that he was not elected through the influence of the Government. I know it in this way: that, for convenience sake, I was made the sole means of communication between the Government and the Provisional Board of Directors. I know, therefore, that when they met I made no suggestion at all, because it was not necessary that I should do so. They all seemed to assume that Sir Hugh Allan, from his wealth and standing, and having taken it up first, was to fill the position as a matter of course. That seemed to be understood by all the gentlemen. If there had been any doubt about it, I should have carried out what I said I would do in my telegram. I would have said I hope you will elect Sir Hugh Allan, but I did not do so.

Q.—The Government did not find it necessary, then, to exercise its influence, promised by your telegram of the 26th of July?

A.—They did not find it necessary. I do not remember making any communication to any member of the Board on that subject for all seemed to take it as a matter of

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course. I am more particular about that, because several of them did speak to me about who should be Vice-President.

Q.—Who is the Vice-President?

A.—Major Walker, of London.

Q.—Does Sir Hugh Allan, in consequence of being President, enjoy any peculiar advantages, other than the distinction, of course?

A.—The only advantage he has is sitting at the head of the table regulating the proceedings, and having the name of President; but by law he has no advantage, and that view I pressed strongly on Mr. Macpherson and other members of the Interoceanic Company, and that every Director made his own position on the Board according to his ability.

Q.—Did Sir Hugh, then, in the course of his negotiations in relation to this whole matter, obtain from the Government any advantage greater than these other gentlemen?

A.—No, none whatever.

Q.—I think you say, in your examination in chief, that after your telegram of the 26th July—after that arrangement was made—that these arrangements were made between Sir George Cartier and Sir Hugh Allan, with respect to the furnishing of funds for the support of the elections. Did you not state something to that effect?

A.—No; I did not state that.

Q.—Have you any correspondence relating to that matter—of the money to be subscribed in Montreal by Sir Hugh Allan?

A.—No, I have not.

Q.—Was Sir Hugh Allan the only one that you mentioned?

A.—I mentioned other names.

I think it hardly fair to mention the names of those other gentlemen. I mentioned Mr. Brydges' name, and Mr. George Stephen's name, and several other names. I have no doubt I mentioned Mr. Ogilvie's name, and other friends.

Q.—Had you any reason for mentioning Sir Hugh Allan's name beyond that which actuated you in mentioning the names of the other gentlemen?

A.—Yes, I had. I thought Sir Hugh Allan was especially interested in getting a Railway Parliament returned, and that he was interested in sustaining the Government which would carry out the railway policy which they had inaugurated.

Q.—Did you consider him then to have a direct personal interest in the result of elections?

A.—Yes. I considered him to have a strong personal interest in this way. Sir Hugh Allan had, as is well known, a very large interest in the Steamships line, and in getting freights for that line. He knew, as it was well known in the country, that there was an opposition line being got up, under the auspices of the Grand Trunk Railway Company, to run to England; and it is well known that he was alarmed at this, because he naturally assumed that, if the rival line were connected with the Grand Trunk Railway, there would be preference given to that line over his own in matters of freight from the west. Sir Hugh Allan, I think I am not wrong in supposing that this excited him very much, and that it was the primary cause of his connecting himself with the Northern Colonization Road from Montreal westward, and encouraging the building of the Northern Road between Montreal and Quebec, and the extension of the inner line between Ottawa and Toronto, so as to have another and competing line which would give his line of steamers fair play. I think I am not wrong in believing that this was the origin of his connecting himself so strongly and warmly with these lines, and these lines would not, I think, especially the road from Ottawa to Toronto, be early undertaken unless there was a chance of the Pacific Road going on westwards. I think he had a special interest in this line and the western extension, and besides, as he expressed himself to me and everyone else no doubt, he had a great pride, at his age and with his means and standing, in connecting himself with this great national enterprise. Sir Hugh Allan could have been under no mistake as to his position long before the elections took place, with reference to the Pacific Railway.

It was not necessary for him to advance or subscribe one shilling in order to ensure to himself, if he thought proper, an interest in the Pacific Railway Company. He knew in the first place that the Canada Pacific Railway, of which he was President, and the representative man from Lower Canada, could not be ignored in any Company that was formed to build the Pacific Railway. He must have ascertained early when Parliament met, from the feeling in Parliament, that he could not get for his Company the exclusive right to construct the road. The interests of Ontario forbade that. His Company could not be excluded, but could only have an interest in common with Ontario. So that without his subscribing a single sixpence to elections, or to any other purpose, he

knew quite well that the Quebec interest must be represented to any Railway Company that was formed, and that he was the representative man from Quebec, and would be supported by the whole influence of Quebec as such. The only danger was that the Railway policy adopted by the Parliament, which had expired, might be reversed by the coming Parliament. He knew that the policy of the Government in carrying out the Pacific Railway had been strongly opposed by the Opposition to the Government; that it was argued very strongly that the road was beyond our means, and would over-tax our resources; therefore, that was the danger to him. He desired to connect himself with the Pacific Railway, which would be the complement of all those other lines with which he had connected himself. And the whole Railway policy of the Government might be reversed if the Opposition succeeded in carrying the country. He was, therefore, interested in exactly the same way—to use an illustration from England—he had the same interest in supporting the Government in its policy in this country, as the great body of licensed victuallers, in England, have to oppose the present Government there, because they disapproved of some of the legislation of the past, and fear hostile legislation in the future. I consider that Sir Hugh Allan had a very strong interest in the securing a Government majority in the present Parliament.

Q.—You said that you received a letter from Sir Hugh Allan, during the progress of your election, subscribing \$25,000 for election purposes?

A.—Yes. Stating that he was ready to subscribe \$25,000.

Q.—What became of that letter?

A.—I destroyed it; it might have been stolen.

Q.—Did that letter contain any terms or conditions upon which the subscription was made?

A.—None whatever.

Q.—Can you recollect the terms in which it was expressed?

A.—I cannot pretend now to recollect the words, but it was simply stating that he was quite ready to help to assist in the election of the friends of the Government or our Western friends; something like that, to the extent of \$25,000.

Q.—Was that the only letter or communication you received from him on the subject of his subscription?

A.—That was the only letter I received from him, and I had no personal communication with him on these points at all. Sir George Cartier doubtless had in Montreal.

Q.—I think you stated that you received two other sums of \$10,000 each?

A.—Yes. I must retract my statement that they both came from Mr. Abbott. The first \$10,000 was from Sir Hugh Allan, and I have no doubt that is the \$10,000 mentioned in that communication of Sir George Cartier's. The other \$10,000 I got subsequently from Mr. Abbott, Sir Hugh Allan being at the time in Newfoundland, I think.

Q.—These were all the sums?

A.—Yes.

Q.—Was Sir Hugh Allan's subscription of the \$25,000 before or after the 24th of August?

A.—It was before the 24th of August. It was early in August, I think.

Q.—I see in that letter of Sir George Cartier's a reference made to terms and conditions of his in a letter of the 30th of July, and that is repeated in the postscript. Have you ever seen that letter of the 30th July?

A.—Never until it was alluded to in the publication. I have seen it since.

Q.—In whose hands is it?

A.—In Sir Hugh Allan's hands. No doubt he has it to produce. I know the general contents of it, but I cannot give it with any degree of accuracy.

Q.—That is the letter to which reference is made in this letter and postscript of Sir George Cartier's, is it?

A.—I presume so.

Q.—Because there was one letter of the 30th July published. It is not that?

A.—No, it is not the published letter.

Q.—What was the disposal of the money which was sent to you?

A.—I used it to aid our friends in the different parts of Ontario in their elections.

Q.—Had you an Election Committee in your election at Kingston?

A.—I had.

Q.—Was any portion of it applied to your own election?

A.—No portion of it whatever.

Q.—Was any employed to reimburse what was expended on it?

A.—As to reimbursing my expenses, I paid every farthing of my own election

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expenses, unless some of my constituents paid some money that I do not know of out of their own pockets. I paid all the expenses of my own election, and did not reimburse myself for any portion of my own election expenses out of these funds. On the contrary, I added to the election fund out of my own limited means to help my friends elsewhere.

Q.—Do you know the entire amount Sir Hugh Allan contributed to the elections both in Ontario and Quebec?

A.—I cannot speak with any certainty.

Q.—The second sum of money received by you, of \$10,000, was in consequence, I think, of a telegram which has appeared?

A.—I would not like to swear that I sent exactly that telegram, because I do not remember its terms, but I sent a telegram, and I have no doubt that this is the telegram.

Q.—It is given at the end of Mr. McMullen's letter?

A.—That was the second "and last time" I suppose. It says it will be the last time of calling, so I take it that it refers to the last \$10,000. I have no doubt it did.

Q.—That telegram is dated 26th August, 1872, addressed to the Hon. J. J. C. Abbott, and signed by yourself. Is that the one you mean, "I must have another \$10,000; will be the last time of calling. Do not fail me. Answer to-day?"

A.—I have no doubt I telegraphed to him, and I have no reason to doubt that this is a copy of the telegram.

Q.—Was that telegram answered?

A.—I have before me this telegram, "Draw on me for \$10,000." I don't remember, but I have no doubt he did answer and did send me such a telegram. I did draw upon him for \$10,000, and I would not have drawn upon him without authority.

Q.—Were there any other telegrams between you and Mr. Abbott, or Sir Hugh Allan, or receipts relating to money for election purposes?

A.—No. There were no other telegrams with Sir Hugh Allan, and those I have referred to. I may have telegraphed to Mr. Abbot in connection with the elections, but I have no recollection of doing so.

I may perhaps now refer to a statement which I see in the Chicago 'Times,' which I intended to have spoken of yesterday. It is as follows. The Reporter asks him: "Can you prove that Sir John Macdonald knew of this bargain?" Mr. McMullen replied, "I can, and will even show his telegrams, one admonishing Allan to shell out, because he had a big thing; another telegram declaring in the most positive manner that he endorsed the arrangement made by Sir Hugh with Cartier, and would hold himself bound by it. He confirmed the bargain unreservedly." Reporter asks, can you prove that? Mr. McMullen answers—"I will put witnesses on the stand who saw the telegram, one of them a very prominent man and a friend of Cartier's. I will name the man who wrote the second of these transactions." I can only say that I never sent such a telegram. It is quite an untruth. I never sent any telegram to Sir Hugh Allan, saying that I endorsed any arrangement made by Sir George Cartier and Sir Hugh Allan. I cannot understand how the idea that I sent such a note or telegram got abroad, or how Mr. McMullen could have got the idea that I sent any such telegram to Sir Hugh, calling on him to shell out, for he had got a big thing. I have been thinking how he could invent such a thing, and the only clue I have is simply this: I remember in writing or telegraphing to Mr. Abbott, that I said that we had a great enterprise before us, and we should fight it out thoroughly. I made use of some such expression to Mr. Abbot, as it was a great game or great enterprise that we had before us, which was quite true; we had a great game in seeking to carry as many elections as we could in Canada, and to secure a majority. That is the only clue which I can think of in regard to that telegram. "A big thing" is an American expression which I never use that I am aware of.

Q.—Do you know what passed between Sir Hugh Allan and Sir George Cartier on the subject of this subscription?

A.—I do not; I may say that Sir George wrote me no letters; he was then in very bad health, sinking under the disease which caused his untimely death; what communications we had were by telegraph, and they were very short.

Q.—Was there any understanding that for any subscription more or less, direct or indirect Sir Hugh Allan was to receive any exceptional advantage from the Government?

A.—I say distinctly there was no arrangement that he was to get any advantage of any kind.

Q.—Was there any understanding?

A.—No understanding. There was no agreement or understanding to give him any advantage of any kind.

Q.—Have you any reason to believe that Sir Hugh Allan gave that large subscription in consequence of an expectation of any kind?

A.—I have no doubt Sir Hugh Allan gave these subscriptions for the one object of sustaining the Government and their railway policy in connection with the Pacific Railway, he being assured that that policy would be sustained with the influence and power of the Government if it remained a Government.

To the Hon. Mr. Campbell, through the Chairman:—

Q.—You have had very many years' experience of elections?

A.—Yes.

Q.—During thirty or thirty-five years?

A.—During about forty years, from 1836.

Q.—At all elections, I believe there is a certain expenditure of money?

A.—Yes.

Q.—What is the character of that expenditure?

A.—It is an uncertain expenditure. There is what they call the legitimate expenses, which every candidate has to undertake—the expenses of canvassing, printing, and advertising—those are the legitimate expenses. There is also a very large expenditure, which is very common in this country, although it is contrary to the Statute. It is, however, I believe, so universal that I have never known any serious contest before an Election Committee on that ground. I refer to the expenditure for teams to bring the voters to come to the polls. My experience has been, with respect to this item, that you cannot get the voters to come to the polls on either side unless some effort is made to provide conveyances for them.

Q.—That constitutes a very serious item?

A.—Yes, I have always understood that to be the chief item.

Q.—Then there is more or less treating?

A.—Yes, and dinners and things of that kind, all of which are contrary to the Statute, but they generally prevail in Canada.

Q.—Did you find at the elections which occurred last, in 1872, any particular necessity for spending money?

A.—There was this necessity, that I don't suppose there ever was a fiercer struggle for the mastery than that which took place between the two parties, especially in Ontario. Every effort was made on both sides to carry their candidates. There was an unusual amount of exertion put forth, the exertions of the Opposition being much greater in 1872 than they were in 1867.

Q.—The exertions of the Opposition?

A.—Yes, and of course there was a corresponding exertion made by the party to which I belong.

Q.—And there was a corresponding increase in the expenditure?

A.—Yes.

Q.—You had a very general knowledge of the contest in Ontario?

A.—Yes.

Q.—You found that there was an expenditure of a much larger amount than usual on both sides?

A.—Of course I am not in the secrets of the Opposition, but I found such a concurrent opinion in Ontario from independent sources that money was being spent very largely, unusually so by the Opposition, that I had no doubt about it. Of course some of those statements might have been exaggerated in particular localities, but the same report came from all quarters. I have recently seen statements that may perhaps at some time see the light verifying that fact.

Q.—You were at the head of the Government during the last elections, and also during the previous general elections?

A.—I was during the election of 1867, and of the last elections. I have been, if not at the head of the Government, a member of it since 1854, with the exception of the twenty months which Mr. Sandfield Macdonald was in power, and the six or eight days during which Mr. Brown was in power.

Q.—Is there any other machinery in Canada for raising funds to meet election expenses except the efforts of individuals?

A.—There is no such machinery here as prevails in England. In each constituency, I suppose, the different parties raise a fund, and they usually have a central fund.

Q.—There is no such machinery as the Carlton Club and the Reform Club in England, but the head of the Government charges himself with doing as much as possible among his friends for the general funds?

A.—The leaders of parties which divide the country, exercise their influence amongst their friends to raise funds for that purpose.

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Q.—You spoke of the appointment of Mr. Hall, and said that the first name suggested was that of the Hon. Mr. Foster. Do you mean that the appointment of Mr. Foster was strongly pressed on the Government by anyone?

A.—Before we settled that there were to be no members of Parliament on the Board, Sir Hugh Allan and Mr. Abbott both asked that Mr. Foster should be appointed.

The Government left that to Mr. Pope, who is a member of the Government, and he selected Mr. Hall, as I understood, on Mr. Foster saying that he would not resign his Senatorship to become a Director.

Q.—That was just about the time of the Charter being signed?

A.—Yes.

Q.—Up to that time Mr. Abbott and Sir Hugh Allan had been pressing the appointment of Mr. Foster?

A.—Yes. And, if I remember rightly, Mr. Foster was offered a position on the Board if he would resign his Senatorship, which I understood he declined to. I was informed by Mr. Pope of the fact, and he selected Mr. Hall. If I remember rightly, Sir Hugh Allan desired that if Mr. Foster was not appointed some one representing him should be chosen, and he suggested his brother.

I wish to make one remark. I stated that when Sir George Cartier and I parted, when he went to Montreal before the elections, I suggested to him certain names besides Sir Hugh Allan, and I gave him those names. I do not wish it to be understood that I know that these gentlemen subscribed. I do not know whether they did or not. I merely suggested some friends of the Conservative party.

And further deponeth saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the seventeenth day
of September, 1873, and remainder
taken on eighteenth day of said month,
and the whole acknowledged on the
twenty-second day of said month and
year.

(Signed) JOHN A. MACDONALD.

(Signed)

CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable HECTOR L. LANGEVIN, of the City of Ottawa, who, being duly sworn, deposeth and saith:

Q.—You are aware, Mr. Langevin, of the terms of the charge recited in the Commission; the alleged agreement with American capitalists for building the Pacific Railway; the knowledge of the Government of this agreement, and the subsequent charge that there was an understanding between the Government, and Sir Hugh Allan, and Mr. Abbott, to furnish funds for promoting the elections in 1872, for which they were to receive the contract for building the road. You are familiar with these allegations, will you have the goodness to make a statement in detail, giving all the facts within your knowledge relating to these charges?

A.—About the arrangement for the contract between Sir Hugh Allan and the American capitalists, I knew nothing until I saw it mentioned in the newspapers. I may say, as was said by others, that the Government and the different members of the Government were from the beginning opposed to Americans obtaining the contract and the control of the Canadian Pacific Railway, with the exception of Sir Francis Hincks,

but finding afterwards that his colleagues were unanimous on the subject, he gave up his own opinion, and agreed with us that the Company to be formed should be formed by Canadians or British subjects. The charge made by Mr. Huntington that the Government or members of the Government, in consideration of funds to be furnished or paid to the Government, or any member or members of the Government, made any agreement, or had any understanding with Sir Hugh Allan and Mr. Abbott, or Sir Hugh Allan or Mr. Abbott, or anyone else, for the building of the Canadian Pacific Railway, or for the obtaining of the contract, or for any advantage or any gain connected with it; that charge is false. The Government never had any such understanding, or ever made any such promise or any such bargain, and in so far as I know, and I have no doubt that if it had been otherwise I would have known it, there has been no bargain, no contract, no understanding of that kind between Sir Hugh Allan and Mr. Abbott, or either of them, or the Americans on the one side and any member of the Government on the other. I try to make it as general and as special as possible, because I want to give a complete denial to the charge. I may now say about the giving of the contract to Sir Hugh Allan or to anyone else, that the statements made by me here about the action of the Government are perfectly correct. The Government did not make any arrangement with Sir Hugh Allan, or with anyone else, for the building of the Canadian Pacific Railway until after the general elections of 1872. Up to that time there was no promise or arrangement of any kind made by the Government or any member of the Government about the building of the road. I may also add that the Government were determined from the beginning to give no advantage to one Province over any other. We knew full well that Sir Hugh Allan was considered by the Lower Canadians as their representative man in this matter. We knew that he had taken from the beginning a very important part in the promotion of the railway: but on the other hand we had to consider that this railway was not for the Province of Quebec alone, but also for the other Provinces, I should say for the whole Dominion. On the other hand, the Toronto interest was very important. Our Toronto friends were very pressing, and by Toronto friends I mean the financial interests of Ontario; that interest was very pressing, and of course they as well as the Quebec or Montreal interests were doing their best to have the upper hand in this railway. We had therefore to be very careful as a Government, that no preponderance should be given to one Province over the other, but that in giving the Charter the interests of the whole Dominion should be considered and taken care of. We therefore did all that we could to bring about an amalgamation of the two Companies; that is to say, the Canada Pacific Railway Company and the Interoceanic Railway Company, the first having as its representative Sir Hugh Allan, and the other the Hon. Mr. Macpherson. However, the negotiations which we had with those two Companies failed. We could not induce the Interoceanic Company to amalgamate, and therefore we had to decide what course the Government should then take. We had only those two Companies incorporated by Act of Parliament. Were we to give the contract to one or the other, we would necessarily have given offence to one section or the other, and also given an undue preponderance to one Province over the other. The consequence was that the Government took advantage of the clause in the Act relating to the aid that Parliament allowed the Government to give to this undertaking. We took advantage of that clause, and formed a new Company, composed of some of the leading men of the Canada Pacific Company and of the Interoceanic Company, adding to them some other leading men of the Dominion.

The composition of the new Company has already been described by Sir John A. Macdonald, and I have only to say that I would have only to repeat what he has just said on that point. As to the names, that is a correct description. The Charter of the Canadian Pacific Railway Company was given, I think, in the first days of February, 1873, if I am not mistaken.

Q.—Will you now proceed to the other branch of the subject, respecting the money furnished for the elections?

A.—As I have already stated, there was no bargain of any kind. I mean that neither the Government nor any member of the Government, so far as I know—and I would have known of it if it had been otherwise—made any bargain or agreement by which the Government, or any member of the Government, was to receive any sum of money, or any advantage from Sir Hugh Allan, or from anyone else, for the granting of the Charter, or for the influence of the Government, or any member of the Government, or for the services of the Government, or of any one of them. Respecting the sums of money that Sir John A. Macdonald had stated as having been received for the Ontario elections, I know nothing. Respecting the sums of money furnished to the Montreal Central Election Committee, I knew nothing either.

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During the Session of 1872 I had a conversation with Sir George Cartier, my Quebec leader, on the elections that were coming on, and I stated to him that we should divide the work in Lower Canada, in order that our friends should be able to refer with certainty to one of us, in case they needed advice or otherwise. It was so understood between us, and I went farther—I told him the experience I had had at previous elections, and that I could not myself provide the funds that might be required in my region without help from the exterior. That of course I had friends that could help me to a certain extent, but that he was aware that the great wealth of the Province of Quebec was centred in Montreal, and not in Quebec, and that therefore I would expect that whenever he obtained from his wealthy friends in Montreal contributions to the election fund for the Province of Quebec, he should remember that I should have a share to help in the election contest of my region—that is, the eastern part of the Province of Quebec. He promised me that he would do his best. Whilst on this subject I may say that, alluding to the charge that has been made publicly in a letter published in the 'Montreal Herald' by George W. McMullen—a charge that Mr. Abbott had been authorized, by he does not say whom, to promise me \$25,000 for my good will, or for my services, or future services in connection with the Pacific Railway, and that Mr. Abbott had reported having done so; I may say first, that Mr. Abbott never told me that he was authorized to promise me \$25,000, or any other sum. Mr. Abbott never promised or offered me anything. He never spoke to me of anything of the kind, and therefore, in so far as I am concerned, that charge is false. I leave, of course, to Mr. Abbott, who may be examined on a future day, to say whether he was authorized to do anything of the kind, and whether the charge made against him, that he said he had promised anything of the kind, is true. So far as I am concerned, I say positively that he never spoke to me on the subject, and never promised me anything at any period. The only time I had a conversation on election matters with Mr. Abbott was, I believe, some time during the Session of 1872, when he, having occasion to come to my department to see me about some matter connected with a public work in his county, I spoke to him, as being one of my best political friends from my own Province, on the prospects of the electoral contest that was to take place during the summer. I told him that the last contest had been a severe one for me, in so far as my small purse was concerned, and that, of course, my position being more prominent now than it was then, I was afraid that the claims or the calls upon me would be still greater, and on that he remarked that it would not be fair that the burden should all fall on my shoulders, but that certainly I should be helped by my friends. That is the only conversation I ever had with Mr. Abbott on that subject, and of course it is one of those conversations I could have had with any other political friend supporting me in Parliament or supporting me out of Parliament; and I may add that Mr. Abbott never spoke to me about the Pacific Railway, or the Bills that were before the House, and he never asked my support of any of the measures that were then before the House, or asked whether I would support or oppose them. In consequence of the conversation I had with Sir George Cartier, as I stated just now, during the elections of 1872, I received from Sir George Cartier, by the hands of Sir Hugh Allan, \$15,000, he (Sir Hugh) stating that he was instructed by Sir George Cartier to remit me that sum for the election fund of my region. Some time afterwards I received a note from Sir Hugh Allan stating that on my giving a receipt to Mr. Abbott he (Mr. Abbott) was instructed to deliver me, also by direction of Sir George Cartier, \$10,000 additional for the same object. As I was about leaving Ottawa for Quebec during the elections, and understanding that Sir Hugh Allan had gone to Newfoundland, I telegraphed Mr. Abbott at Montreal to be kind enough to meet me on board of the Quebec boat at Montreal, which he did. I told him there that I had received a note from Sir Hugh Allan, as I stated just now; that I had asked no money from Sir Hugh; that the sum of \$15,000 that he had sent me before came from Sir George Cartier; that I had understood from Sir George Cartier that any sum of money that he would send to me would be a portion of the subscription of his wealthy friends in Montreal, and that therefore I could not for a moment think of giving a receipt or of receiving any money on any condition whatever, and that if this sum of \$10,000 was not on the same footing as the \$15,000 first sent, I could not receive it. Moreover, if there had been any misunderstanding about the first sum, and if that first sum was not a pure gift on the part of the subscribers to the fund, I would go down to Quebec, and would return that amount immediately. Mr. Abbott told me that there must be some misunderstanding, that he was sure that there must be no intention of putting any condition or exacting any receipt about this money. So we parted. Mr. Abbott sent me afterwards the \$10,000 without any condition, and I believe stated that his explanation to me was the proper one. Some time afterwards

Sir George Cartier, whom I had seen en passant in Montreal, and who had ask me in what position I found myself about the elections in my region, was informed by me that, besides my own election and what I had contributed personally to others, I was short to the amount of \$7,500 or \$7,600. He told me he thought his Election Committee would have to provide for that additional sum; and some time afterwards I received it with a note from Sir Hugh Allan, stating that Sir George Cartier had instructed him to hand me that amount. I never had any communication on this subject with Sir Hugh Allan, beyond what I have just stated.

By my statement the Commissioners will see that none of that money was employed in paying the expenses of my own election.

Q.—Did you take as active an interest in the negotiations concerning the building of the Pacific Railway in the earlier stages of it, as other members of the Cabinet?

A.—No. The first negotiations were conducted by Sir John A. Macdonald principally. The negotiations between Sir Francis Hincks and Sir Hugh Allan and others were conducted as coming from himself at the beginning; and, as Sir John Macdonald stated correctly when we heard that he was favouring the introduction of the American interest in the proposed Railway Company, we expressed our dissent from that action; and from that moment until the end, the Cabinet never wavered on that point, showing their determination to exclude Americans from the Pacific Railway Company.

Q.—Do you recollect about the time that that decision was arrived at?

A.—The formal decision on that point was, I think, in April or May, 1872, but I am not sure.

Previous to the Session of 1872, that determination was arrived at on the part of the Government. Although, perhaps, it was not known to outsiders, yet it was the settled policy previous to the Session of 1872, and when we met Parliament and had an opportunity of seeing the members of the House of Commons, it was clear that any other policy would fail.

Q.—Were you present at any of the interviews mentioned by some of the witnesses, and also in Mr. McMullen's letter relating to this matter?

A.—No; I was not present when the American gentlemen were there.

At the first interview I understood that there were only two members of the Government present—Sir John Macdonald and Sir Francis Hincks. The second interview was reported to me on my arrival here, I think I had gone to Montreal or Quebec.

Q.—You have no recollection of having ever met those gentlemen in conference?

A.—No; I never met them. I never saw Mr. George McMullen.

Q.—Had you ever any conversation with Sir Hugh Allan on the subject of the agreement they had entered into?

A.—No.

Q.—Then you know very little of that?

A.—Very little, indeed.

Q.—Did you take any part in the efforts which were made to bring about an amalgamation of the Interoceanic and the Canada Pacific Companies?

A.—Nothing more than as a member of the Privy Council.

Q.—You knew that the negotiations were going on?

A.—Yes. The action was determined in the Privy Council before being taken.

Q.—Respecting the organization of the Canadian Pacific Company and the appointment of Directors, you state that the evidence you would give would be that given by Sir John A. Macdonald?

A.—Exactly what he gave. The Hon. Mr. Beaubien, who was specially selected by me, was so selected to represent the interests of the District of Quebec, not as opposed to that of Montreal, but as being distinct from that of Montreal. That was the object I had in view in selecting him from that portion of Lower Canada.

Q.—Sir Hugh Allan was elected President of that Board?

A.—Yes.

Q.—Have you any knowledge of any influence being used to procure him that position?

A.—I am not aware that the Government used any special influence or any influence to bring about his election.

Q.—Do you know whether his election was unanimous or not?

A.—I understood it was.

Q.—You have no personal knowledge on that subject?

A.—No; I was not present.

Q.—Had you any communication with Sir Hugh Allan upon the subject of money to be furnished for the elections before your communication with Sir George Cartier?

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A.—No, never ; at no time.

Q.—You had no conversation with him on the subject ?

A.—No.

Q.—Do you know how much he subscribed in all for the elections ?

A.—No ; I don't know.

Q.—Have you in your possession the letter that Sir Hugh Allan wrote, to which you have referred ?

A.—No. I don't keep any of these letters, nor any letters that are mere formal letters. It has always been a rule with me as soon as I have finished a letter to destroy it, unless it is an official letter to be filed in the department. But my own letters I destroy, and I think, by what I have seen since, that I was perfectly right in this.

Q.—Do you remember the terms of that letter ?

A.—No ; there was nothing special in it.

Q.—Did it relate to the advance of that \$10,000 ?

A.—Sir Hugh Allan stated, so far as I can recollect, that Mr. Abbott would pay me, or hand me \$10,000, and that Sir George Cartier had wished him to send it to me on my giving him a receipt.

Q.—Was that the only condition in the letter ?

A.—As far as I can recollect, there was no other condition than that.

Q.—You have said, I believe, that you received another letter from Sir Hugh Allan, enclosing the last sum you received ?

A.—No, I don't think there was any note with it ; if there was any, it was simply stating that, " I send you \$7,000, or \$7,600, by order of Sir George Cartier." I think he must have sent some such note as that, but I have no special recollection of it.

Q.—You don't remember the terms of the letter ?

A.—No ; it was nothing more than a mere business letter that might be written by one person to another.

Q.—He mentioned to you that he had sent you that sum of money ; did he say anything else ?

A.—No.

Q.—Did he not say anything else ?

A.—He said, " by the direction of Sir George Cartier," or " by the wish of Sir George Cartier."

Q.—Nothing more than that ?

A.—No.

Q.—You say you mentioned to Mr. Abbott that unless it was a free gift on the part of the subscribers to the fund you would go to Quebec, and at once return the first \$15,000.

A.—Yes.

Q.—Why did you make that remark ?

A.—Because when I saw that Sir Hugh Allan, in his letter, stated that Mr. Abbott had \$10,000, which he would hand me, or send me, or pay me on my sending a receipt, or giving a receipt, I thought that meant that it was not a mere subscription, and therefore thinking that the same thing might apply to the first \$15,000 that had been sent, and for which no receipt had been given, I stated at once to Mr. Abbott that if this money that had been sent by direction of Sir George Cartier was not a mere gift on the part of the subscribers, I must return it, and I was going down to Quebec and would return it at once. The reason for that was apparent. The object I had in view when I spoke to Sir George Cartier in the Session of 1872 was to see that the heavy expenditure of the elections should not fall on me, and that I should not be responsible for the whole amount, and if this had not been a mere gift on the part of the subscribers, I would have found myself responsible for the whole amount, which I would not undertake to be.

Q.—You use the word " gift " in opposition to " loan "—not a loan but a gift ?

A.—Yes, that is what I mean.

I wish to add in regard to Sir George Cartier on another point. It is that from the beginning he showed his opposition to the introduction of Americans or American capital in the Pacific Railway Company to be established or to be incorporated. He expressed himself so to me more than once, stating, I cannot recollect his exact words, but the meaning of the conversation was this, that he would not allow the Americans to build our railway. Their interests commercially speaking being different from those of the Dominion ; and that we had in Canada and in England men who could find the necessary capital, and who would have the necessary skill to build this railway. He was very positive and never wavered on that point.

Q.—Do you know anything of the letter from Sir George Cartier to Sir Hugh Allan of date the 30th of July ?

A.—No. I know of no letter except that which has been published in the newspapers. There is one of that date published.

Q.—Do you know of any other letter of that date which has not yet been published?

A.—No.

Q.—Did Sir George Cartier mention any such letter to you?

A.—I never had any conversation with him about that.

To the Hon. Mr. Campbell, through the Chairman:

Q.—You stated that you concur in Sir John Macdonald's statement of the mode in which the present Directors of the present Company were chosen?

A.—Yes.

Q.—Did Sir Hugh Allan exercise any influence in the choice of these Directors?

A.—No, not that I am aware of; and if he had exercised any influence, there is no doubt I would have known it from the knowledge I had of the business of the Council.

Q.—Did not both Sir Hugh Allan and Mr. Abbott press for the appointment of a person in lieu of Mr. Foster, when the Government arrived at the determination that no member of Parliament should be on the Board, as Mr. Foster's nominee in fact?

A.—Yes, they did.

Q.—And no such appointment was made?

A.—No such appointment was made.

Q.—They continued to press for the appointment up to the last moment, did they not?

A.—They did.

By the Commissioners:

Q.—Who was the person put forward?

A.—I think Mr. Foster's brother.

Q.—And they were pressing for the appointment of Mr. Foster up to the last moment, until they were told, in fact, it was no use?

A.—Yes.

Q.—So Sir Hugh Allan exercised no influence in the selection of the persons who are on the Board?

A.—None whatever.

And further deponent saith not, and this his deposition having been read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the eighteenth day of
September, 1873, and acknowledged
on the twenty-sixth day of said month
and year. } (Signed) HECTOR L. LANGEVIN.

(Signed) CHARLES DEWY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

SANDFORD FLEMING, of the City of Ottawa, Civil Engineer, who being duly sworn, deposeth and saith:

Q.—You reside in Ottawa, I believe?

A.—Yes, at present.

I am a Civil Engineer.

Q.—Do you know Sir Hugh Allan?

A.—I know him very slightly.

Q.—Do you know Mr. G. W. McMullen?

A.—I do not know him.

Q.—Have you any knowledge of an agreement between Sir Hugh Allan and Mr.

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G. W. McMILLAN, representing United States capitalists for the construction of the Canada Pacific Railway with American funds?

A.—None whatever, except what I have recently seen in the newspapers.

Q.—Were you brought in relation to the parties to that transaction at the time it was going on?

A.—Not at all.

Q.—You therefore know nothing at all about it?

A.—Nothing of my own knowledge.

Q.—Have you ever had any conversation with Sir Hugh Allan relating to it?

A.—No conversation whatever.

Q.—You were, I think, one of the Provisional Directors of the Canada Pacific Railway Company?

A.—My name is in the Charter of the present Company. I was not connected in any way with any of the Companies that were incorporated by Act of Parliament.

Q.—When did you first become interested in the movements for the construction of the Pacific Railway?

A.—In 1871. I was called upon by the Government to conduct the surveys.

Q.—That was all your connection with it until you were appointed a Director of the Canadian Pacific Railway Company?

A.—Yes, until I was asked by Sir John Macdonald to consent to be one of the Directors.

Q.—About what time were you requested to become a Director?

A.—It must have been in January of this year, 1873. I am not quite sure, but I think it was only about two or three weeks before the date of the Charter, the Charter is dated the 5th of February.

Q.—How many Directors are there upon that Board?

A.—I believe there are thirteen names in the Charter.

Q.—They are all upon an equal footing as Directors?

A.—Yes.

Q.—Who is President?

A.—Sir Hugh Allan.

Q.—Were you present at his election?

A.—I was.

Q.—Was there any difference of opinion on his election?

A.—I don't think there was. It seemed to be agreed upon by common consent that he should be President.

Q.—What were the motives which induced the unanimous election of Sir Hugh Allan?

A.—He had taken a very active part in the whole affair, and he was one of the wealthiest men, if not the very wealthiest man. He seemed disposed to embark his capital in this enterprise to a very large extent, and it was also thought that he would as President be better able than almost any other man to influence capitalists in England to join in the work.

Q.—Was it considered an advantage to the undertaking to have him at the head of it as President?

A.—It was then considered so unquestionably.

Q.—You have extensive experience and reputation, and knowledge as an Engineer, Mr. Fleming. Can you give an opinion as to the pecuniary promise of this enterprise under the Charter. Does it appear to you to be of a profitable character?

A.—Anything I can say on that head must be very speculative. I suppose I have had a better opportunity of judging than any other member of the Board, on account of being connected with the surveys; but I always had grave doubts about the financial success of the scheme.

Q.—Did you accept a Directorship from a desire, or with the expectation of making money out of it?

A.—I accepted a Directorship because it was pressed on me by the Premier. I hesitated very much about accepting it, and did not do so solely with the idea of making money out of it.

Q.—Do you know anything about the general elections in 1872—about the raising of funds for the purpose of carrying them on?

A.—None whatever. I was not in this part of the country at the time.

Q.—And nothing has since come to your knowledge with respect to these elections?

A.—Nothing, except what anyone can read in the public papers.

Q.—You stated the reasons which seemed to operate with the Board in selecting Sir

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Hugh Allan as President. Were they the reasons which operated with you—that is, his wealth, his position, his facility for obtaining means, and so on; were these the reasons which operated with you?

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—

A.—I think so. Everything pointed to Sir Hugh Allan as the proper man.

Q.—Had you any other reasons than those you have named for giving him your support as President?

A.—I never gave the matter very much consideration. Everything pointed to Sir Hugh Allan as the proper man to be President of the Company. His name was first on the list of names given in the Charter, and he had no rival.

Q.—Was any influence used with you personally to induce you to support Sir Hugh Allan as President?

A.—I am not aware of any. It seemed to be generally understood by everybody that he should be President. He seemed to have no rival.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the eighteenth day of
September, 1873, and acknowledged
on the twenty-ninth day of said
month and year.

(Signed) SANDFORD FLEMING.

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: The COMMISSIONERS.

On this nineteenth day of September, in the year of our Lord, one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

Sir HUGH ALLAN, of the City of Montreal, Knight, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Q.—You have taken an active interest in the negotiations and operations for the constructing of the Canada Pacific Railway?

A.—I have.

Q.—There are a number of letters which have been found in a package entrusted by you and Mr. G. W. McMullen, whom I suppose you know, in the hands of Mr. Starnes, and we desire, in the first place, to prove those letters to be in your handwriting. Will you take the package and examine it, and state if they are so?

A.—With reference to the parcel itself, it was not I who put it into the hands of Mr. Starnes, or made it up. I cannot swear positively as to the originality of the package. I can, however, identify my own handwriting.

Q.—These letters now shown to you, were they all written by you to the gentlemen to whom they are addressed?

A.—Yes; they were private letters for private information, and not for publication at all.

Q.—Are the telegrams also correct?

A.—I think so. I have only a knowledge of their general terms.

Q.—Are there any other contents in that sealed package which you can identify; that is, for instance, the sealed packet and other documents, one a letter addressed to the Hon. Henry Starnes, is that your letter?

A.—Yes; that is my signature.

Q.—Is that Mr. McMullen's signature to it also?

A.—I think so.

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There is also another envelope here containing a cheque for \$17,500, and I hereby produce and fyle it, marked "N."

Q.—What was the letter addressed to Mr. Starnes with the memorandum and agreement?

A.—The letter is herewith produced and fyled, marked "O."

Q.—You have said that you have taken an active interest in the negotiations for the construction of the Canada Pacific Railway. I will now read to you the formal charges that have been made against the Government on that subject, with the view of receiving a statement of what you know about them. Will you have the goodness to state all the facts within your knowledge relating to the subject matter of these charges?

A.—If the Court will permit me, I will read a statement which I have drawn up relating to the matter.

With reference to this statement, and any other I may make, I wish the Court to understand that at this distance of time—from one to two years—during which many changes have taken place, and, as a matter of course, I cannot exactly charge my memory as to conversation about facts and figures which then took place, and therefore I can only state what occurred to the best of my knowledge and belief.

The witness then made the following statement:—

I have for some years past taken a strong interest in the development of railway communication throughout the Dominion of Canada, and particularly through the district of country lying to the westward of Montreal, with a view to increasing the facilities of communication between the seaboard and Western America. And that, amongst other projects, my attention was early directed to the scheme for constructing a railway between Montreal as the most westerly Atlantic seaport, and the Pacific Ocean.

That in the autumn of 1871 I learned, in conversation with Sir Francis Hincks, that certain American capitalists had proposed to the Government, through Mr. Waddington, to organize a Company for the purpose of building the Canadian Pacific Railway, but that no action had been taken upon their proposition.

That, thereupon, inasmuch as no movement appeared to be contemplated in Canada for the purpose in question, and I doubted if Canadian capitalists could be induced to subscribe to it to any large extent, I obtained from Sir Francis Hincks the names of the persons who had been communicating with the Government, and immediately placed myself in correspondence with them, for the purpose of endeavouring to form a Pacific Company, in advance of the measures which were expected to be taken by the Government at the then ensuing Session of Parliament.

That, accordingly, after a certain amount of negotiation, I visited Ottawa in company with some of these gentlemen, and we had an interview with the Government, referred to by Sir John, on or about the 5th October, 1871. Sir John's account of that interview accords perfectly with my recollection of what took place. On the 23rd December, 1871, I entered into an agreement with certain American capitalists. I now produce a copy of that agreement, omitting only the names of the other signers, which I conceive I have no right unnecessarily to drag before the public.

The witness here reads the agreement, a copy of which is produced and fyled marked "P."

There was also a supplementary contract made at a future day. I had no recollection of this contract until within the last few days, and if I had been asked, would have said I had never seen it. There is no question but that the contract was entered into and that I was one of the signers.

Witness here reads supplementary contract, a copy of which is produced and fyled, marked "Q."

Neither the Government as a whole, or any member of the Government, ever saw that agreement or had any knowledge of its existence, as far as I know, until very recently.

On looking at the deed of agreement it will be seen that it was stipulated that the Road should be built by the route and on the terms prescribed in the Act to be passed respecting it, and it was further understood that in addition to the route north of Lake Superior, a branch was to be constructed from Lake Nipissing to Sault Ste. Marie, with a branch to Georgian Bay near the mouth of French River. At Sault Ste. Marie the river was to be bridged and the line carried along the south shore of Lake Superior to Duluth where it would join the North Pacific from which line another branch would lead to Fort Garry.

From Fort Garry westward to the Pacific it was intended the Road should proceed on the route afterwards determined by the surveys, and it was regarded as a possibility that the Northern Pacific, when it got as far West as the Missouri River, might be

defected so as to join the Canadian Pacific, get the advantage of our easier pass through the mountains, and run on its track to some point west of the mountains, where they would again separate; the Northern Pacific passing south to New Westminster, and the Canadian Pacific seeking the shore of the Pacific Ocean at such point as determined by the surveys.

I favoured this scheme, because it not only gave us such a Pacific Railroad as we might desire, but also the advantage of a direct connection with the States of Northern Michigan, Wisconsin, Minnesota, and Dakota, the traffic and produce of which would naturally find its way to and from the seaboard through Canada, as being much the shortest, and consequently the cheapest route, even for the traffic of New York and Boston.

Thus, in place of, as has been alleged, sacrificing the interests of Canada to the United States, these plans, if carried out, would have been a greater benefit to Canada than any other scheme of communication that could be desired, and would have given a double communication with Fort Garry. And with regard to this agreement I most distinctly and explicitly declare that neither in the agreement itself, nor in any conversation or negotiation connected with it, was there any stipulation, statement, or expressed plan, which had for its object any retardation of the work, or any other purpose, than its completion throughout, at as early a day as would be consistent with reasonable economy in building it. And more particularly I declare that there was no intention expressed or implied, either in the agreement or in the negotiations which accompanied it, of placing it in the power of the Northern Pacific Railway, or any other Company, or body of men, to obstruct the enterprise in any manner or way whatever.

I am bound to say here that these New York gentlemen behaved throughout all my negotiations with them in the most honourable and consistent manner.

Although the organization at first gave them a majority of Directors, when it was thought that this might give rise to objection, they at once agreed that the majority should be British subjects, residing in Canada; and they consented to abide by all the regulations and conditions that the Parliament or Government of Canada might impose upon them. They never proposed to make the Road subservient to the Northern Pacific, nor to use it in any way otherwise than for the best interests of Canada.

It was arranged that the Americans would advance money for necessary preliminary expenses, and they paid in \$40,000 American currency for this purpose.

A large portion of this was spent to their perfect satisfaction, but owing to the subsequent changes in the aspect of affairs I thought it better, without any application from them, to return to them the entire amount, and I did so. There was no other money contributed by the Americans in any form or for any purpose to which I was a party.

Soon after my return from New York I wrote to Toronto with the view of enlisting gentlemen in the scheme, and the first person I applied to was the Hon. D. L. Macpherson, to whom I explained the whole scheme, and asked him to join the organization. This he declined to do on the plea of its connection with the Americans.

I found the general feeling of the people in Toronto rather cool towards the Pacific Railroad, because their city did not lie on the direct line of the proposed Road, though they could not deny the great merits of the scheme in a public point of view.

They feared that the western traffic would, by the proposed road, be carried past them to Lower Canada.

No further steps of importance were taken by myself or associates up to the time of the opening of the Session of Parliament at Ottawa in respect of the projected Company, except that I placed myself in communication with the Government, offering to organize a Company which would undertake the construction of the Road, and discussing the question of the facilities and aid which the Government would probably recommend to be furnished by the country, and in the course of these discussions and negotiations I endeavoured, as far as possible, to secure for myself the position of President of the projected Company, which was the position my associates were willing to allow me; and to which I thought myself entitled from the active part which I took in the great national enterprise to which the agreement and negotiations in question had reference. And as to this point I had reason to believe from the first that the Government was prepared to admit my claim.

That when the time for the Session of the Canadian Parliament approached, I applied to Mr. Abbott to prepare the requisite legislation; and shortly after Parliament had opened, I proceeded to Ottawa for the purpose of ascertaining how matters were progressing, and what prospect there was of a successful prosecution of the undertaking by myself, and the persons who were then associated with me. That previous to this time, however, I had communicated with a large number of persons in Canada on the subject

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of the proposed Company, requesting their co-operation and assistance, and endeavouring to induce them to subscribe for stock to such an extent as I thought fair, considering their position and means.

And though I did not meet with any great measure of success in procuring subscriptions of stock, yet it was quite as great as I had anticipated when making my arrangements with the American capitalists. In my negotiations with them, therefore, I provided for the distribution of the stock which those gentlemen were willing to subscribe, or which I believed they would eventually be willing to subscribe upon the formation of the Company, as mentioned in my letter of the 28th February, 1872, already referred to.

When I visited Ottawa, as stated in the last paragraph, I ascertained by personal observation and communication with the members of the House that a strong prejudice had arisen against any connection with American capitalists in the formation of the proposed Company, the fear expressed with regard to that subject being that such capitalists would find it for their interest rather to obstruct the Canadian Pacific, and further the construction of the Northern Pacific, than to act in the interests of Canada, by pressing forward the Canadian Road. And though I did not share this fear, and always believed, and still believe, that the persons who proposed to be associated with me would have gone on with the enterprise in good faith, to the best of their ability, yet I found the feeling for the moment so strong that I judged it expedient and proper to yield to it, and therefore consented that the legislation to be presented to the House should exclude foreigners from the Company, and that the Directors should be exclusively Canadian.

A Bill incorporating the Canada Pacific Company was then introduced into the House by Dr. Grant, who had been a prominent advocate of the Canadian Pacific scheme, and had introduced in the last previous Session a similar measure at the instance of the late Mr. Waddington and others, who were then interesting themselves in the project.

Notwithstanding that the Bill which was so introduced, contemplated by its terms the exclusion of foreigners, I did not feel by any means convinced that the Government would insist upon any such condition, believing as I did, and do, that such a proposition was impolitic and unnecessary. I did not, therefore, feel justified in entirely breaking off my connection with my American associates, although I acquainted them with the difficulty which might arise if the Government took the same position which the majority of the people with whom I conversed at Ottawa appeared to do. I was aware that by the terms of the Bill introduced by the Government, they would have a controlling power as to the terms of the contract, and I was willing to abide by their decision as to the extent of interest, if any, which foreigners might be permitted to hold.

And until that decision was communicated to me, I felt in honour bound by the agreement I had made to leave the door open for the entrance of my American associates into the Company, unless the contingency arrived of a distinct prohibition by the Government against admitting them. And in informing them of the progress of the affair in Canada, as I did on certain occasions as an individual and without implicating the Company, of which I was a member, I consider that I was only acting fairly by them. And I did not intend thereby to bind, and, as I conceive, did not in any way bind or compromise, to my views, the other members of the Canada Pacific Railway Company, with whom I did not think it necessary to communicate at all on the subject of my occasional correspondence with my former American associates, the more especially as that correspondence was entirely private and confidential, and, moreover, was written with such inattention as to accuracy of expression as might be expected in correspondence intended only to be seen by those to whom it was addressed. During my stay at Ottawa I had some communication of an informal character with members of the Government, and I found that they were still disposed to recognize the value of my services in endeavouring to organize a Company, but in view of the rivalry which appeared to exist in respect to the Pacific scheme, and the strong array of Canadian names which had been obtained by the Inter-oceanic Company as associates in its project, nothing definite leading me to expect any preference for myself or for the Company which I was endeavouring to organize, or indeed anything definite relating to the project, was said by the members of the Government with whom I then communicated. It appeared to me that while their intentions and opinions had been freely expressed to me when no Company other than that which I was proposing to organize was likely to be formed, the presence of competition amongst Canadians for the contract had decided them to allow matters to take their own course until they should have been enabled to decide after the formation of the Canadian Companies what line of conduct would be most conducive to the interests of the country. And there was, therefore, very little

said or done during the Session which gave me any clue to the views of the Government with respect to the course of action which they would probably ultimately adopt.

In order to make my narrative intelligible, it is necessary I should recall to mind the Legislation of the Session of 1872, as regards the Pacific Railroad. During that Session two Companies were incorporated with precisely similar powers. The Interoceanic Company, of which Mr. Macpherson was a leading member, and the Canada Pacific Company, in which I took a prominent part. The Acts of Incorporation of these Companies conferred on them no grant or right to the contract. A third Act was passed, a Government measure which empowered the Government to grant 50,000,000 acres of land, and \$30,000,000 in aid of the construction of the Railway, and to contract for its construction and running, either first with any Company incorporated for the purpose during that Session, or second with any two or more Companies amalgamated for the purpose, or third, with any Company which the Government might create by letters patent for the purpose.

After the Session, the Canada Pacific Railway Company, of which I was a member, proceeded to organize and notified the Government that they were prepared to take the contract for building and running the Pacific Railway on the terms and conditions mentioned in the Government Act. They caused stock books to be opened in various parts of the Dominion, in conformity with the Act, and took such initiatory steps and such other proceedings as were necessary to enable them to act as an organized corporate body. That it soon after became evident to me that the Government would be best pleased to see an amalgamation of the two Companies incorporated by Parliament, in order that united action might be secured and the greatest strength obtained in the formation of a Canadian Company. I therefore opened negotiations with the Interoceanic Company, for the purpose of endeavouring to effect such an amalgamation, and at the same time the Canada Pacific Company placed itself in communication with the Government with relation to the same subject. It was thereupon intimated that the Government were also desirous that the amalgamation should take place. That thereupon, Mr. Abbott, a member of the Canada Pacific Railway Company, proceeded to Toronto to meet Senator Macpherson, and if possible to arrange terms of amalgamation that would be satisfactory to both Companies. And after a discussion of the matter during two or three days, in Toronto, between him and Mr. Macpherson, he reported to the Canada Company that there did not appear to be any material difficulty in the way of our amalgamation, except that the claim which I made to be President of the amalgamated Company, and to have the nomination of an equal number of the members in the new Board to that nominated by Mr. Macpherson, could not be acceded to. Mr. Macpherson's proposal was, that he, as representing the Interoceanic Company, should have the nomination of a larger number of members in the amalgamated Company, than I, and that the question of the Presidency should be left to the Board of Directors. With regard to the Presidency, Mr. Abbott informed the Company that Sir John Macdonald expressed himself as being favourable to my election as President, and that any influence the Government might possess among the members of the amalgamated Company, would be exercised for the purpose of aiding in my election to that office, and that probably the difficulty as to the nomination of members to the new Board between myself and Mr. Macpherson might be obviated in some way. In other respects he reported that he could find no divergence of opinion as to the amalgamation of the two Companies between myself and Mr. Macpherson.

After receiving Mr. Abbott's report of the negotiations at Toronto, I felt satisfied that no difficulty would occur in bringing them to a successful termination. And as the late Sir George Cartier happened to be in Montreal shortly afterwards, and I was taking considerable interest in his re-election, I met him and had an unofficial conversation with him on the subject of the Charter, on several occasions urging that the influence of the Government should be used to procure the amalgamation upon such terms as I considered would be just to myself and the Company over which I presided.

On the 29th July, 1872, I received a message from Sir George Cartier asking me to see him the next day. I requested Mr. Abbott to accompany me, and I discussed the whole question with Sir George, who stated his views fully.

He communicated to me a telegram he had received from Sir John A. Macdonald, of which the following is a copy:—

“SIR GEORGE CARTIER, MONTREAL.

“July 26, 1872.

“Have seen Macpherson. He has no personal ambition, but cannot in justice to Ontario concede any preference to Quebec in the matter of the Presidency, or in any other particular. He says the question about the Presidency should be left to the

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Board. Under these circumstances I authorize you to assure Allan that the influence of the Government will be exercised to secure him the position of President. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections. Then the two gentlemen to meet the Privy Council at Ottawa and settle the terms of a provisional agreement. This is the only practical solution of the difficulty, and should be accepted at once by Allan. Answer.

(Signed) "JOHN A. MACDONALD."

And Sir George Cartier on that occasion gave me the assurance which he was by that telegram authorized by the Premier to convey to me.

That on further discussion with Sir George Cartier as to the course which the Government would probably take with regard to the amalgamation and the contract to be granted, I urged upon him certain modifications of the terms of the above telegram from Sir John Macdonald, and finally Sir George came to entertain the opinion that I was entitled to have certain of those modifications conceded to me, and expressed his willingness to recommend it to his colleagues. Being desirous of having as definite an expression of opinion from Sir George, as he felt himself justified in giving, I requested that he would put what he stated verbally to me in writing, and accordingly on the 30th July, 1872, he wrote me the following letter :

"DEAR SIR HUGH,

"Montreal, July 30, 1872.

"I inclose you copies of telegrams received from Sir John A. Macdonald; and with reference to their contents I would say that in my opinion the Governor in Council will approve of the amalgamation of your Company with the Interoceanic Company, under the name of the Canadian Pacific Railway Company; the Provisional Board of the amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec, by the Canada Pacific Railway Company, four from the Province of Ontario, by the Interoceanic Railway Company, and the remainder by the Government; the amalgamated Company to have the power specified in the 10th section of the Act incorporating the Canada Pacific Railway Company, and the agreement of amalgamation to be executed between the Companies within two months from this date.

"The Canada Pacific Company might take the initiative in procuring the amalgamation, and if the Interoceanic Company should not execute an agreement of amalgamation upon such terms, and within such limited time, I think the contemplated arrangement should be made with the Canada Pacific Company under its Charter.

"Upon the subscription and payment on account of stock being made, as required by the Act of last Session, respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway, with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any Company, will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the Company to be formed by amalgamation, or to the Canada Pacific Company, as the case may be.

"I would add, that as I approve of the measures to which I have referred in this letter, I shall use my best endeavours to have them carried into effect.

"Very truly yours,

(Signed) "GEO. E. CARTIER."

I observe that it has been stated that there was a postscript to the foregoing letter. I declare positively that there was no such thing, and I now exhibit the original letter to the Commission, in support of what I say, but I do not dispossess myself of it. An authentic copy of which, however, is herewith produced and filed, marked "R."

I positively declared that up to the date of this letter I had not any understanding of any kind or description with the Government, either directly or through any other person, than that contained in Sir John Macdonald's telegram of the 26th of July, which is given above; and that telegram and the above letter from Sir George Cartier contained everything that was ever stated or agreed to between any member of the Government and myself, on the subject of a Pacific Railway project, up to that date.

On the same day that I received the above letter from Sir George Cartier, I informed Sir John A. Macdonald of the substance of it, and asked for his sanction to the views which it contained. But he declined to concur in the terms of Sir George's letter, tele-

graphing to him (Sir George Cartier) that he would not agree to them, and that he would come down to Montreal and confer with him respecting them.

Hereupon I immediately informed Sir George Cartier that I should consider the letter addressed to me as being withdrawn, and to my knowledge Sir George telegraphed to Sir John that he had seen me, and that as he (Sir John) objected to Sir George's letter, it had been withdrawn. I also telegraphed to Sir John on the same day (July 31st) to the effect that I had seen Sir George Cartier, and that he (Sir John) might return my letter or regard it as waste paper, and that I was satisfied with the telegram of the 26th, as expressive of the views of the Government.

These two telegrams are, I understand, produced by Sir John A. Macdonald with his affidavit.

I positively and explicitly declare, that excepting so far as an understanding between the Government and myself is expressed in the foregoing correspondence, I had no agreement of any kind or description either verbally or in writing, by myself or through any other person, in respect of the contract for the Pacific Railway or of any advantage to be conferred upon me in respect of it.

In one of my letters in the published correspondence dated 6th August, 1872, I appear to have said, "Yesterday we entered into an agreement." The word "yesterday" was used inadvertently for "recently," or "some days ago."

That this was merely a slip of the pen will appear from the letter following in the published correspondence, and which is dated the day after, 7th August, in which, referring to the same agreement, I again used the word "yesterday."

There never had been anything that could be called an agreement, except that arising out of Sir John Macdonald's telegram of the 26th July which remained untouched, Sir George's letter of the 26th July, which I have just exhibited, and my own to Sir John A. Macdonald being considered withdrawn.

As we were leaving Sir George said to me, in his usual abrupt manner, "Are you not going to assist in our elections?" or words to that effect.

I replied that as on former occasions I would no doubt do so to some extent, but I wanted to know how much he required. He said it was impossible to tell, but from the opposition raised to the Pacific Railroad project, it might amount to \$100,000.

I thought this was a large sum, but I felt that the interests involved in the issue of the approaching general elections were most important in a national point of view. It seemed to me to be a question whether the policy of the Administration with reference to railroads, canals, harbours, light-houses, and emigration was to be approved of or not; that policy I thought then, and still think, deserving of the support of all those who would really care for the development of the resources of the country. In addition to these public reasons for giving pecuniary assistance to the Government in the late general elections, I had personal reasons, which will be readily appreciated even by those who cannot understand any higher motives. As a person largely interested in the carrying trade, I could not fail to desire the success of every scheme which would increase the communications with the interior of the continent.

In addition to this, my feelings were aroused by the attacks on myself personally, as well as on the Government, the ground of attack on the latter being mainly on its Pacific Railway policy, and as I approved of that policy, I therefore determined to give the Government all the assistance in my power, and in answer to George's request, I asked him to state to me in writing what he wanted me to do.

In the afternoon we again waited on Sir George, and he gave me a letter of which the following is a copy:—

(Private and Confidential.)

"DEAR SIR HUGH,

"Montreal, July 30, 1872.

"The friends of the Government will expect to be assisted with funds in the pending elections, and any amount which you or your Company shall advance for that purpose shall be recouped to you.

"A memorandum of immediate requirements is below.

"Very truly yours,
(Signed) "GEO. E. CARTIER.

NOW WANTED.

" Sir John A. Macdonald -	-	-	-	-	-	-	\$25,000
" Hon. Mr. Langevin -	-	-	-	-	-	-	15,000
" Sir G. E. C. -	-	-	-	-	-	-	20,000
" Sir J. A. (add'l) -	-	-	-	-	-	-	10,000
" Hon. Mr. Langevin -	-	-	-	-	-	-	10,000
" Sir G. E. C. (add'l) -	-	-	-	-	-	-	30,000

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Q.—Have you got that letter in your possession?

A.—I have, and I hereby produce it before the Commission, but do not wish to dispossess myself of it; an authentic copy is herewith produced and fyled, and marked “S.”

As the letter now appears, the memorandum is for \$110,000, but at the time it was written the first three items amounting to \$60,000 only were mentioned. Sir George said, however, that they could talk of that afterwards. Accordingly I paid over the three first sums of money to the gentlemen indicated. Afterwards Sir George requested me to send a further amount to Sir John A. Macdonald of \$10,000, and \$10,000 to Mr. Langevin, and \$30,000 to the Central Committee of Elections; and the three sums last mentioned in the memorandum appended to the letter were then added to it by Sir George. I accordingly remitted \$10,000 to Sir John Macdonald, \$30,000 to the Central Committee, and left \$10,000 with Mr. Abbott for Mr. Langevin, to be paid upon getting from that gentleman a receipt for it. In Sir George Cartier’s letter of the 30th July, namely, the one to which I have secondly alluded, there is an undertaking on the part of Sir George that my advances would be paid back to me. I did not see well from what source this money could be repaid, but Sir George held out some hope that his political friends would contribute to make it up. Beyond this there was nothing that I can recall as to the manner of repayment. On leaving Sir George I said to Mr. Abbott, that I saw no possibility of my ever being repaid these contributions. Neither then nor on any other occasion had I any correspondence with Sir George as to the repayment of these sums.

I left Montreal for Newfoundland I think early in August, and only returned at the end of the month, and except by infrequent telegrams I had no communication with Montreal during that time. Among these telegrams I had two from Mr. Abbott, informing me that Sir George wanted \$20,000 more for the General Committee, and \$10,000 for Sir John. I authorized Mr. Abbott to pay over these sums, and placed the money at his disposal.

I think I also received telegrams from Mr. Abbott telling me that Mr. Langevin would sign no receipt, and asking my authority to hand him the money without any receipt.

This last telegram did not reach me in time to be acted upon, and I have since learned from Mr. Abbott that Mr. Langevin gave no receipt.

I heard of Sir George’s defeat while in Nova Scotia on my way back. In this way on my return I found that the limits of payments which I had first agreed to had been exceeded, and with subsequent advances they finally stood as follows:

To Sir George E. Cartier’s Committee	-	-	-	-	-	\$85,000
To Hon. Sir John A. Macdonald towards election expenses in Ontario	-	-	-	-	-	45,000
To Hon. H. L. Langevin towards electoral expenses in Quebec	-					32,600
						<hr/> \$162,600

I also paid for the assistance of other friends of my own in connection with the elections between \$16,000 and \$17,000.

These sums, with the preliminary expenses on the Pacific and various railroads in which I was engaged, more or less directly connected with the Pacific enterprise, made up the amount of my advances to about \$350,000.

After the elections I made another attempt to amalgamate the two Companies with the assistance of the Government, by addressing the following letter to the Hon. D. L. Macpherson:—

“DEAR SIR,

“Montreal, September 5, 1872.

“I received, some time ago, a communication from the Government, informing me that it was deemed advisable that our two Companies should unite and form one Company, for the construction of the Canadian Pacific Railroad, and expressing a hope that the suggestion would meet with the approval of the two Companies. No doubt you also received a similar communication.

“In conformity with the wish of the Government, the Canada Pacific Railroad Company, of which I am President, is prepared to amalgamate with your Interoceanic Company, and I consider it is for both our interests that the amalgamation should take place as soon as possible.

“I have therefore directed a meeting of the Provisional Board of my Company to be called for the purpose of authorizing the execution of a deed of amalgamation being agreed upon.

"I understood that the Government would approve of such an amalgamation upon the following conditions:—

"1st. That either of the Charters should be the Charter of the amalgamated Company.

"2nd. That the Provisional Directors of the amalgamated Company should be seventeen in number, of whom four should be named by you, four by me, and the remainder by the Government.

"3rd. That the Board thus constituted should elect the Provisional Chairman or President.

"As the Canada Pacific Company has opened stock books in conformity with the Act, and has retained them at the different points required by the Act since they were so opened, I would suggest that the proposed subscriptions should be inserted in those books, subject to allotment by the Provisional Board, to be constituted under the deed of amalgamation. And the books could then remain open at such points as may be ordered by the Provisional Board for further subscription, either in this country or in England. By thus availing ourselves of the proceedings of the Canada Pacific Company, the time within which the Company can be regularly organized will be greatly shortened, and the amalgamated Company will be in a position, at an early date, to proceed with the financial arrangements requisite for commencing the work next spring.

"I shall be happy to hear from you as early as possible on the subject of these suggestions, with any others which you may feel disposed to make, should you entertain the idea of an amalgamation; and in that event you might consider it desirable to call your Board together, in order to act in concert with our Board in carrying out the amalgamation as soon as possible.

"Arrangements should also be made, and powers obtained, to enable us to negotiate and execute a contract with the Government.

"For this purpose a meeting at Ottawa of an Executive from each Company may be necessary, and I will be prepared to meet you there when required.

"Your obedient servant,

(Signed) "HUGH ALLAN.

"Hon. D. L. Macpherson, Toronto, Ont."

This offer was again rejected, and on grounds similar to those formerly given, and I made no further attempt at amalgamation, but the Government continued in their endeavours to induce the Inter-oceanic Company to amalgamate, till towards the end of the month of November.

A little before this time, however, a Memorandum was communicated to me, which had been received by the Government from the Inter-oceanic Company, which appeared to destroy the prospect of amalgamation, and although the Canada Company endeavoured to remove the objections made by the Inter-oceanic Company, they failed in doing so, and the idea of amalgamation was shortly afterwards finally abandoned.

Thereupon the Government informed me that it was decided that the contract should not be given to either of the Companies alone, but that the Government would incorporate a new Company of the prominent members of the two incorporated Companies, and any leading Canadians who might be disposed to join them and able to give assistance, and could be induced to subscribe the stock in the proportions which the Government had decided upon, which proportions are those embodied in the Charter. And from that time the efforts of all parties interested in the project were directed towards procuring the association together of the most prominent men of both Companies in the new Company to be incorporated under the terms of the Government Act of the previous Session. And it was, as the result of these efforts, that the present Company was formed, composed, in a majority of instances, of gentlemen with whom I had no communication whatever, and not in any respect as the consequence of any understanding between myself and the Government. From that time also communication between myself and my former associates ceased, having finally been broken off by myself, as soon as I ascertained the desire of the Government. And I state further, positively, that no money derived from any fund, or from any of my former American associates, was expended in assisting my friends, or the friends of the Government, at the recent general elections.

That with regard to the construction which appears to be intended to be placed upon the statements in the letter referred to as to the preliminary expenses connected with the Charter, I state most positively and explicitly that I never made any agreement or came to any understanding of any kind or description with the Government, or any of its members, as to the payment of any sum of money to anyone, or in any way whatever, in consideration of receiving the contract for the Canadian Pacific. I declare, that I did expend considerable sums of money in various ways which appeared to me to be advan-

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tageous to the Company I had organized, and calculated to strengthen my hands in endeavouring to obtain the contract for that Company, but that I did not on any occasion or in any way pay or agree to pay anything whatever to any member of the Government, or to anyone on behalf, or at the instance of the Government, for any consideration whatever, in connection with the Charter or contract. As may be gathered from the letters in question, I considered it to be my policy to strengthen my position as far as I possibly could with my own friends and fellow-citizens in the Province of Quebec, and more especially in so far as related to the Montreal Northern Colonization Railway, which I conceived would at some day be the outlet from the Canadian Pacific to the Port of Montreal. And a considerable portion of the money referred to in those letters was expended by me in furtherance of that project in many ways, and it was with these views in addition to those already stated, I contributed the money already referred to, but without any understanding or condition with the person receiving it.

I have already said that my subscription and loans to assist in the elections could not have been a consideration for my getting the Pacific contract as it is alleged in Mr. Huntington's motion, for on the 30th July nothing was settled. The plan then contemplated, and for months afterwards, was that of an amalgamation of the Pacific and the Interoceanic Companies; the plan finally adopted was the granting of a Charter to an altogether new Company of which it is true I was a Director, but in which I had little or no choice of my co-directors and no more influence than that conferred on me by the stock which I might hold. In point of fact some of the Directors were scarcely known to me, and to the appointment of some I was opposed.

So in fact the Canada Pacific incorporated by the Act of the Session of 1872 never got the contract and never had anything approaching to a promise of it. The contract was given to a body totally different and including for the most part persons who had nothing to do with that Company.

The terms of the Charter, the composition of the Company, the privileges which were to be granted to it, the proportions in which the stock was to be distributed having been matters for negotiation and settlement up to the last moment, and were only closed and decided upon while the Charter was being prepared in the early part of the present year. And the persons who finally composed the Company were only decided upon within a few days of the issue of the Charter; I, myself, being permitted to subscribe a similar amount of stock to that subscribed by other prominent members of the Company.

With reference to certain private and confidential letters published in the *Montreal Herald*, and to certain statements in those letters which may appear to conflict in some degree with the foregoing, I must in justice to myself offer certain explanations. I desire to state with regard to these letters that they were written in the confidence of private intercourse in the midst of many matters engrossing my attention, and probably with less care and circumspection than might have been bestowed upon them had they been intended for publication. At the same time while in some respects those letters are not strictly accurate I conceive that the circumstances to a great extent justified or excused the language used in them. With regard to the reference repeatedly made in those letters to the American interest in the stock of the Company, as I have already stated, I had made an agreement with the parties to whom those letters were addressed, associating myself with them in a Company projected for the construction of the Pacific Railway.

It was a very delicate and unpleasant thing for me bluntly to tell them that I would not carry out the arrangement; besides, although I came gradually to know how strongly opposed the Government was to the introduction of American capital and influence, and that this feeling had taken possession, to a considerable extent, of the public mind, still I had never been formerly notified by the Government that it was their intention positively to exclude foreigners and their capital in the organization of the Pacific Company.

And in consenting to the legislation introduced into the House, I thought I was only deferring to a prejudice which I myself considered without foundation. I did not hesitate to intimate that if a suitable opportunity offered, they should be permitted to assume a position in the Company as nearly like that which they and I had agreed upon as circumstances would permit. And as I entirely disbelieved the statements that were made as to their disposition to obstruct the Canadian Pacific, and considered that they might be of great use in furthering its construction, especially in the event of a failure of the negotiations in England, I had no hesitation in placing myself individually, in the position of favouring their admission into the Company, if circumstances should permit of it. It was in that spirit that what is said in my private letters, now published, was written to the gentlemen to whom they were addressed, and if matters had taken such a turn as to permit with propriety, of those intentions being carried out, I should have felt myself bound to adhere to them. But in point of fact, when the discussions as to the mode in which

the Company should be formed were entered upon with the Government late in the autumn, I came to understand decisively, that they could not be admitted, and I notified them of the fact and that the negotiations must cease between us, by a letter which has not been published in the 'Herald,' but which was in the following terms:—

"MY DEAR MR. McMULLEN,

"Montreal, October 24, 1872.

"No action has yet (as far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend all that negotiation is at an end. It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigners will have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it is unnecessary for you to visit New York on this business at present, or at all, till you hear what the result is likely to be.

"Public sentiment seems to be decided that the road shall be built by Canadians only.

"Yours truly,
(Signed) "HUGH ALLAN."

I desire also to state further with regard to the envelope, and the papers which it contains which were placed in the hands of the Hon. Mr. Starnes shortly before my departure for England with the delegation of the Pacific Railway, that upon being informed by me that all negotiations between my former American associates and myself on the subject of the Canadian Pacific Railway must cease, large demands were made upon me by Mr. McMullen, based partly upon alleged expenditure by him, and partly upon a claim by him for compensation for his loss of time and service in the promotion of the enterprise, so long as he and his friends remained connected with it. These demands at first were of so extensive a character I declined altogether to entertain them. I was disposed to return to my American associates any money which they might have expended in the matter, and I was ready to compensate Mr. McMullen for the loss of his time and his expenses; but it appeared to me that the sum which he demanded was much greater in amount than all such disbursements and expenses could possibly have reached. I felt naturally that by trusting to the honour of my correspondents, and writing to them in a manner somewhat inconsiderate, I had placed it in their power to annoy me by the publication of those letters, and I feared that the outcry which might follow their publication in the columns of certain papers which have manifested unceasing hostility to the Canadian Pacific Railway might injure the prospects of the delegation in England. I therefore authorized an arrangement to be made with Mr. McMullen, by which a sum very much less than his original demands should be paid to him, the greater portion at once, but the remaining, and a considerable, portion on the delivery of the letters to me, after the present Session of Parliament, should they not be published in the interval. This was accordingly done. Mr. McMullen received the greater part of the sum agreed to with him, namely, \$20,000, and the remainder, namely, \$17,500, was placed in one of those envelopes in the form of a cheque, the other envelope containing, to the best of my belief, the same letters which have been published in the Montreal 'Herald' together with one or two others which do not appear there, but which would have established the rupture of all negotiations between the Americans and myself. And this arrangement was made on my behalf with Mr. McMullen, without the concurrence or knowledge of any member of the Government, none of whom were aware that the papers had been deposited in the hands of Mr. Starnes.

Q.—With regard to some of these letters which are in the parcel which you have proved, I see in that of the 28th February, 1872, you name a number of gentlemen to whom the stock was to be distributed. Had you obtained the consent of these gentlemen to receive that stock?

A.—I had not. I did not say that I had in any letter I have written. The mention was that \$4,500,000 of the stock that was to be given to myself, Mr. McMullen, and Mr. Smith, was to be distributed amongst such parties in Canada as we thought would be beneficial to the Company; but the intention was that they should pay for their stock the same as anyone else. It was never contemplated that it should be given without payment.

Q.—Was this letter intended to convey the idea, or did it convey the idea, that these gentlemen had accepted the stock?

A.—I had no such intention. I merely stated that these would probably be the amounts we would have to contribute from our several stocks. I did not intend to convey the idea that these gentlemen had consented to accept, or had accepted, it in any form.

Q.—Did any of those whose names appear here accept the stock?

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A.—None of them, unless they became Directors of the Canadian Pacific Railway.

Q.—Not at that time?

A.—No, not at that time.

Q.—I see in your letter of June 12th, 1872, this expression :—"I believe I have got the whole arranged through my French friends, by means you are aware of, and we have now a pledge of Sir George that we will have a majority, and other things satisfactory. I have told you all along that this was the true basis of operations, and anything else was powder and shot thrown away, and I think so still?"

A.—These were merely matters of conversation, and never amounted to anything like a pledge of any kind. I had been communicating with a vast number of people on the subject, and they generally received what I had to say to them favourably, and I thought I had succeeded in securing the good will of all parties regarding it.

Q.—There is a letter of the 1st July, directed to Mr. Cass, in which you give a very full account of your proceedings, and a detailed history of the course which you followed for the purpose of obtaining the influence which you desired in Parliament. Will you explain the expressions which you made use of there with respect to the means of securing Sir George Cartier and the majority in Parliament?

A.—There never was any means used to obtain Sir George Cartier or anyone else, except those I have already alluded to. In conversation with all the gentlemen, and in my intercourse with them from time to time, I was constantly talking to them on this subject, urging them to use all the means in their power, and I generally got their promise to that effect; but I did not use any improper means to acquire anything of that kind at all.

Q.—The impression that would be conveyed by this would be that you used some objectionable means for the purpose of purchasing the support of these men?

A.—I did not; indeed I did not.

Q.—You state "that Sir George then proceeded to give me the contract as required, in a way that there would be seventeen provisional Directors, of which Ontario would have eight and we nine, thereby giving us the control. We at once proceeded to organize a Company, and they named me President," and so on. What Company was that to which you referred?

A.—The original Canada Pacific; but we never got any contract. It was the opposite way. In the provisional Company I was made President. It was only a provisional Company, and was entirely abandoned.

Q.—Am I to understand that there was such a projected Company which subsequently resulted in nothing?

A.—There was, undoubtedly; but it resulted in nothing. There were only two Provisional Companies.

Q.—That was the Company you announced in your letter to Mr. Cass?

A.—Yes.

Q.—In the letters of the 6th and 7th August you state that an agreement had been entered into?

A.—That referred to the letter on the 30th July, and to Sir John A. Macdonald's telegram of the 26th July.

Q.—That, you state, I think, was an inadvertent statement?

A.—Yes, it alluded to the letter of the 30th July, and to Sir John A. Macdonald's telegram of the 26th July, which was the only agreement ever made.

Q.—Sir John's telegram?

A.—Sir George's letter of the 30th July, founded on Sir John's telegram, but it was subsequently objected to by Sir John and withdrawn.

Q.—Then you state in a letter of the 16th July, that Sir George Cartier announced to you that he did not intend to give the contract to your Company, and that he never had intended to do so. Is that the first distinct announcement you had?

A.—Yes; that was the first distinct announcement.

Q.—There are several allegations made; you have no doubt seen the published letters of Mr. McMullen?

A.—Some of them; but I don't think I have seen the whole of them.

Q.—There is one published on the 16th July, in the Montreal 'Herald,' and it contains an allegation with respect to the payment of several sums of money which he states you alleged to have paid. We will go over these sums in order that you may have an opportunity of stating what you have to say with respect to them. He says that he (meaning you) at one time announced that the \$8,500 of which he speaks had been lent to Sir John Macdonald and Sir Francis Hincks, in sums of \$4,000 and \$4,500 respectively; with a very good knowledge that they were never to be repaid?

A.—No such transactions ever took place.

Q.—Did you ever make such a statement to Mr. McMullen?

A.—Not to my remembrance.

Q.—There is a reference to another sum of \$50,000 about which you said you had some conversation with Sir Francis Hincks, and he said that at his time of life he should prefer an absolute payment of \$50,000 to a percentage of the ultimate profits?

A.—No such conversation took place. I never spoke to Sir Francis Hincks on the subject of money in my life, in any form, in this connection.

Q.—Are you able to state whether you made that statement to Mr. McMullen or not?

A.—I do not recollect any such conversation.

Q.—As to the conversation with Sir Francis Hincks, as to securing for his son the position of Secretary to the Company at a salary of \$2,000?

A.—That is an entire mistake which Mr. McMullen has made. Sir Francis Hincks applied to me to get his son an appointment in the Warehousing Company at Montreal. I don't know how Mr. McMullen came to know anything about it, but Sir Francis Hincks never applied for his son to be employed on the Pacific Railway. He was looking for employment for his son, and I was President of the Warehousing Company, and without any reference to the railway or the contract, he happened to ask me if I knew of anything that would suit his son, and this quite casually. He asked me something about whether there was anything in the Warehousing Company likely to suit him. I said I did not know, and he never got any appointment.

Q.—As to the allegation that several sums had been paid for different newspapers and \$6,000 to Attorney-General Ouimet?

A.—I never paid any sum of any kind to Attorney-General Ouimet.

Q.—What about the newspapers?

A.—As to the newspapers, I discounted a note for the proprietors of 'The Minerve,' which they agreed to pay in advertising. I think that was the only transaction I had with any newspaper.

Q.—What amount was it?

A.—I think it was \$4,000.

Q.—Then there was an indefinite loan of \$10,000 to Sir Francis Hincks?

A.—I never loaned any money to Sir Francis Hincks.

Q.—In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin \$25,000 to aid in the elections about Quebec on condition of his friends' assistance?

A.—I never heard of that before I saw it in the newspapers. He was not authorized by me.

Q.—And Mr. Abbott reported that he had done so?

A.—He never reported so to me.

Q.—Then there is another portion of this letter to which I wish to call your attention. It is as follows:—"After having Sir George sign the agreement as stated in the letter of the 6th August, he commenced paying money, but as he told me, having Cartier's order in each case, and taking his receipt therefor. When making the agreement he had no idea that the amount of money would be excessively large; and when it had run up to between \$150,000 and \$200,000, he became alarmed, and told Cartier that he must stop paying the drafts which were coming in so rapidly unless the whole Government would sanction the bargain. He then stated that Sir George sent to Ottawa and received a telegram from Sir John Macdonald confirming his action. After this Allan said he proceeded paying until he had advanced \$358,000 in addition to the \$40,000 drawn from New York. I promised to submit his statement to my friends in New York, and leave the matter for them to decide?"

A.—I was absent from the Province during the whole of that time, therefore the whole of that is impossible.

Q.—From what date?

A.—I left on the 13th of August, and did not return till the 3rd September, and the elections were going on during that time. A large amount of money was paid during my absence and before I went, and there was no money paid that I did not know of before I left, or did not sanction when I was away, therefore I could not possibly have made such a statement.

Q.—Did you at any time tell Sir George Cartier that you must stop paying the drafts which were coming in so rapidly, unless the whole Government would sanction the bargain?

A.—No, I never had any interview or conversation with Sir George Cartier on that subject.

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Q.—The entire conversation you had with him was that already stated?

A.—Yes.

Q.—Do you know if Sir George sent any telegram to Ottawa on this subject, or received any?

A.—I never saw or heard of any.

Q.—You stated that the first intimation you received unfavourable to the admission of your American associates in the enterprise, was that letter of Sir George Cartier's of the 16th July?

A.—Yes, of the 16th July, 1872.

Q.—Had you at any time any stock in your name as a cover for the American capitalists, either in the Canada Pacific Company or in the present chartered Company?

A.—Never. No Americans that I am aware of have the slightest interest in the Canadian Pacific, either direct or indirect. I never had any stock in my name any time that represented Americans.

Q.—Can you state particularly the conversation which passed between you and Sir Francis Hincks at the first interview, when it was suggested to you to apply to American capitalists for assistance?

A.—At this distance of time I could not give any definite statement of the conversation, but I can give the general terms. Sir Francis Hincks came to my office in Montreal, and pointed out to me the fact that owing to the union with British Columbia, a railroad of that kind would have to be built; and that the Government had begun to inquire as to the means by which it could be built, and he himself was very anxious about it. They were not prepared to do anything, and had not made up their minds respecting it; but he wished to make inquiry in order to see in what way it could be carried out when the time came. He then stated that he felt very anxious that some of our own people should take it up and not leave it entirely in the hands of the Americans. He had no objection to American connections, but he thought the principal parties in it ought to be Canadians. He told me of an interview he had had with Mr. Waddington, Mr. Smith, and Mr. McMullen. He strongly recommended me to take up the enterprise, as being one which must redound greatly to any person who carried it out. He urged that it was a great enterprise; if the promoters succeeded they would be conferring a great benefit on the country. I was very reluctant to go into it at all. I felt that it was too large a matter, and too important, for a man with so much business on his hands as myself to engage in; but he was very urgent, and finally he persuaded me to agree to enter into it. At the same time I was very reluctant to do so. He then said that the best thing to do was to put myself in communication with those parties who have applied to us; you can make your own arrangement with them. You will find those gentlemen at New York, and you will find them more likely to take it up than the people in England, because they have already constructed two railways across the Continent, and are about commencing a third. They are much more likely to undertake it than our own people, who do not know anything about it, and who would be afraid of so large a sum.

Q.—Were you induced by that conversation to enter into communication with your American associates?

A.—I was.

Q.—Then I suppose you attached yourself rather strongly to the idea of building the Railway by these means?

A.—I did. I became, I may say, passionately enamoured of it, and determined that if it could be carried through by any means, even by a large expenditure of my own money, I would carry it through.

Q.—Except from Sir Francis Hincks did you receive any encouragement from the Government to enter into communication with your American associates?

A.—No, never.

Q.—From no other members of the Government?

A.—No. They were very reticent on the subject. After two or three months had elapsed when it appeared that the West had taken up opposition to it, the Government began to indicate that they were also opposed to it.

Q.—Did you ever receive any encouragement from any member of the Government except from Sir Francis Hincks?

A.—Never.

Q.—You felt a good deal disappointed at the result?

A.—I did indeed; very much disappointed.

Q.—With whom originated the idea of a new Company or the amalgamation of the two Companies?

A.—I think it was with Sir John Macdonald the whole of these things originated.

Q.—That was against your opinion and wish?

A.—It was. I was satisfied that the first arrangement would have been most successful.

Q.—Do you know when the Government became first acquainted with the agreement between you and your American associates of December, 1871? They were not aware of it at that time?

A.—No, not for long after.

Q.—Not at the time of the legislation of 1872?

A.—They were aware that negotiations were going on and had gone on, but they had never seen the agreement.

Q.—Did you consider the telegram of Sir John A. Macdonald of the 26th July, as the basis of an agreement to be made?

A.—Undoubtedly that was the basis, and the only basis, we had to go upon.

Q.—Has that basis been adhered to or departed from?

A.—As far as it could be it has been adhered to. It suggested an amalgamation, and at the meeting at Ottawa after the elections I acquiesced in all the proposals, and wrote to Mr. Macpherson, and requested him to meet me in Ottawa, to carry out Sir John's telegram of the 26th July.

Q.—By whom was Sir John's disapproval of the letter of the 30th July communicated to you?

A.—Sir George Cartier communicated it to me on the 31st July I think; but I think it was not direct to me, but to Mr. Abbott, and through him to me.

Q.—I mean the telegrams which followed the letter from Sir George Cartier of the 30th July?

A.—I sent a telegram upon the 31st, and I think Sir John telegraphed down immediately to Sir George Cartier his objection.

Q.—You stated that you were a very large subscriber of money for the support of the elections. That money was subscribed about what period; can you state the time?

A.—On the 30th July, I agreed to that amount of \$60,000 or \$75,000 I think, as stated in Sir George Cartier's letter. He mentioned the amount he required on that date. I agreed to that, and subsequently within a day or two before I left for Newfoundland he stated that he wanted a further sum, and I sent him over the letter to put down what he wanted, and he did put it down. I agreed to that also. That was the last I heard of the matter until I had gone to Newfoundland, and when I was in Newfoundland, I received two telegrams, I think from Mr. Abbott, on the subject of money. These telegrams I agreed to. He telegraphed me also with regard to the receipt from Mr. Langevin, but I did not get the telegram and did not know of it at the time.

Q.—The letter of Sir George Cartier of the 24th August, of which a copy is published, is in these terms:—"In the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Committee with a further sum of \$20,000 upon the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan, on the 30th ultimo."

(Signed) "GEORGE E. CARTIER.

"P.S.—Please also send Sir John Macdonald \$10,000 more on the same terms."

What was meant by these expressions, "the same conditions" and "the same terms?"

A.—It is difficult to say what Sir George meant by those words. He was not a man with whom you could talk very much, because in all the interviews with him he generally did most of the talking himself, and you could with difficulty say anything. I never understood exactly what he meant on any of these points. I was quite satisfied that he probably felt that he did not like to be under such very heavy obligations, and would endeavour at some future time, to make it up by subscription or otherwise. I did not think that he had any very definite idea, and I did not think it would be done.

Q.—He says, "as written by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo"?

A.—That is the recouping, I suppose.

Q.—Did you ever receive any other letter from Sir George Cartier on the subject?

A.—Never.

Q.—"The friends of the Government will expect to be assisted with funds in the pending elections, and any amount which you or your Company shall advance for that purpose shall be recouped to you." This is the letter to which he refers in the letter of the 24th August?

A.—Yes.

Q.—This was all the communication in writing between you?

A.—That was all the communication I ever had from Sir George on the subject.

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Q.—And you had no further conversation with him than what you have mentioned which took place on the 30th July?

A.—I think I only saw him once or twice after the 30th July, previous to my leaving for Newfoundland. I was very much occupied, and during that time we had no further conversation on the subject of the money. He did not require any more then.

Q.—Had you any understanding with Sir George or any other member of the Government, or derived from any quarter that you were to receive certain advantages for the subscriptions which you gave—certain favours from the Government for the subscription which you gave—towards the elections?

A.—Certainly not.

Q.—Had you any expectation of receiving any such favours?

A.—No, I had not the slightest.

Q.—Have you received any favours from the Government?

A.—I have not.

Q.—What is your position in the Canadian Pacific Railway Company?

A.—I am President of the Company.

Q.—Have you any other advantage than that?

A.—None whatever, except the paying out of money.

Q.—Were you elected President through the influence of the Government?

A.—Not to my knowledge. I am not aware that the Government exercised any influence over anyone. I was elected unanimously, and many of the persons I had never seen before, and did not know.

Q.—What was your motive in subscribing so largely? I will ask you a preliminary question, Had you ever subscribed so much in any previous election?

A.—Never anything like it, and on this occasion I was actuated by a variety of motives. They did not all come into operation at the same time, but from time to time. I was very desirous to support the present Government in its commercial views. The policy that it had inaugurated was entirely according to my feelings and wishes, as being right and proper for the development of the country and for the advantage of the Dominion. They had undertaken a very large emigration scheme and very large canal expenditure, so as to make our internal communications superior to any other country, and to bring down all the produce from the West in this direction, which I was very much interested in their doing. They had undertaken to enlarge the harbour of Montreal to a very great extent. They had undertaken and built a vast number of lighthouses all through the Dominion, and their commercial policy was of the most enlightened character, and such as I entirely approved of; and I thought it was my duty therefore to sustain that policy, and I was to a large extent influenced by that motive, partly of course in consequence of my own interest in it, and partly in consequence of the great development of the country which it was sure to bring about. Then again I was interested in the Northern Colonization Road. I had expended a large sum of money in bringing it to the point it had then reached. Its prospects were not so brilliant at that time as they are to-day, and there was some doubt whether it would go on or not, but I saw at once that if the Pacific Railway was built the Northern Colonization Railway would become a necessity. Montreal especially could not do without it; could not do without a direct connection with the Pacific. That road would have carried all the trade which the Pacific Road might bring across the Continent for shipping by sea. I had a further interest, inasmuch as the members of the present Government were among my own friends and acquaintances; I had known them for many years, and although I am no politician myself, and never voted at a Parliamentary election in my life except once, yet the members of the Government were persons with whom I was always in contact, and I wished to assist them in every way possible. I was also interested as being largely engaged in the carrying trade, and I saw that my interest was to support the present Government in their position.

Q.—You had a very large sum of money invested in your steamships and other enterprises in the country?

A.—A very large sum.

Q.—This sum which you gave amounted to nearly \$400,000; was that not sufficient to cramp you or distress you very much in your monetary affairs?

A.—Not at all; I gave it entirely from my own funds. I never borrowed any or asked any from anyone. I never encroached on the moneys of the firm. I did not even speak to my brother on the subject, and never drew a shilling from the firm for the purpose. It was entirely out of my own pocket.

Q.—Do you know how this money was distributed; how it was spent?

A.—I know nothing about it.

Q.—Sir George Cartier's interview with you was on the 30th July. When he asked you to subscribe, was any allusion made to the contract for the Pacific Railway?

A.—No, not more than the fact that the letter was written that morning.

Q.—He did not say "You have helped us, we will help you?"

A.—No.

Q.—Did he intimate anything of that kind?

A.—He did not.

Q.—Sir George Cartier in his letter of the 30th July mentioned about your being repaid, or recouped I think is the word he used. What did you understand by that; by whom were you to be recouped?

A.—That is one of the points on which Sir George did not give any explanation. He talked in his usual abrupt manner about money, and he said he would get up a subscription among the party to pay me back, or at least a portion of it. He did not suppose that he would be able to realize the whole of it, but he talked about getting up a subscription to pay back a portion of it. I myself did not believe that anything of the kind could be done, therefore I placed no confidence in the statement.

Q.—Was there anything to justify you in supposing that it would be repaid out of moneys to be devoted to the construction of the Pacific Railway?

A.—It was impossible, and it could not have been done if he had.

Q.—Do you know the Hon. Mr. Foster, Senator?

A.—I do.

Q.—Was Mr. Foster present at any interviews you had with Mr. McMullen?

A.—I could not say in reality, I am not certain.

Q.—Have you ever had any conversation on the subject of these matters with him, which are stated in Mr. McMullen's letter?

A.—I never had any conversation with him on the subject of the Pacific Railway at all, except that he was very anxious to become a Director, and I was very anxious to have him one. That is the only point on which I had any conversation with him. He never spoke to me about any of the other matters referred to, so far as I remember.

Q.—Can you not say whether he was present or not at any interview you had with Mr. McMullen?

A.—No, I cannot say.

Q.—Did you ever speak to him on any of the subjects respecting those payments of money, or the other allegations made by Mr. McMullen?

A.—Not that I remember. I think I never did. I may have had a conversation, but in a very slight and indirect manner, with Mr. Foster on this subject; but I don't remember ever speaking to him about it.

Q.—You say that you were absent from the 13th of August to the 3rd of September?

A.—I think those were the dates.

Q.—Have you with you any memorandum from your books showing when the different payments were made, and to whom they were made?

A.—I have not.

Q.—Can Mr. Abbott state when these payments were made?

A.—I cannot say. He would be more likely to be able to state them than I would. These different payments were made, I think, as stated in the letter published. I think on the 14th of August a further payment was made in my absence.

Q.—Then all the sums except that amount paid on the 14th of August would, I understand, probably have been paid before you left?

A.—Not the whole of them; probably more than one was paid after I left. I think Mr. Abbott paid three sums after the 13th August.

Q.—Would you have the goodness to look at that letter from Sir George Cartier, of the 30th July. I observe that the body of the letter is not in his handwriting, but the signature is his. In whose handwriting is the body of the letter?

A.—I think it is Mr. Abbott's writing.

Q.—Mr. Abbott stood in confidential relations to you apparently. What were they? What was the position in which he stood towards you? Was it as a professional adviser or otherwise?

A.—Scarcely as a professional adviser, and yet, to some extent, it was so. He was deeply engaged with me in all these railway schemes, and as such we had become closely allied in all matters of this kind. He was with me at all the interviews I had with Sir George Cartier, and I did nothing on any point without consulting him.

Q.—Then he was present at the time Sir George Cartier made this appeal to you to subscribe for the assistance of the Government at the elections?

A.—He was, but his recollection of what took place differs a little from mine. While

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I think he mentioned \$100,000, Mr. Abbott thinks Sir George did not mention any sum, but only spoke of a large sum.

Q.—Was he present at the interview from the first to the last?

A.—He was.

Q.—And had the means of knowing all that passed on the occasion?

A.—He had.

Q.—Did he, or did you, or did Sir George suggest a letter of request to be put in written form?

A.—I did.

Q.—Were the terms of the letter settled at that time?

A.—They were settled by Sir George himself, I think, without consulting us. He dictated the letter, I think, to Mr. Abbott, without allowing any interference.

Q.—Then this letter was written at the time?

A.—I am not sure whether it was written at the time or during the interval between the morning and afternoon.

Q.—You saw him again in the afternoon?

A.—Yes.

Q.—Was Mr. Abbott present then?

A.—Yes.

Q.—Was it then that the letter was signed?

A.—Yes.

Q.—Had you any conference in the meantime with Mr. Abbott as to the terms of that letter?

A.—I had not. We did not know what Sir George wanted, or how he proposed to state it at all. We were not going to dictate to him what he should say.

Q.—I should like to hear again if you remember the way in which Sir George approached the subject of a money subscription?

A.—It was in a very abrupt manner. As we were going out at the door after arranging the first letter of the 30th July, he turned about and said: "Will you help us at our elections"? or "Are you going to help us"? or something to that effect.

Q.—Did you make a reply?

A.—I did.

Q.—What was it?

A.—I said that I had been always in the habit of giving something to the elections, and no doubt I would do so on this occasion.

Q.—Who spoke next—what was next said?

A.—I am not sure; but I think it is possible that I said to him, "To what extent will you require assistance?" or, "What do you want?" and I also suggested that he should put in writing what he wanted.

Q.—Your recollection is that he said \$100,000 would be wanted?

A.—Yes. Mr. Abbott thinks he did not mention any definite amount.

Q.—After he named that sum, what did you ask him to do?

A.—To put the request in writing.

Q.—Why did you wish the request in writing?

A.—I wished to have some authority for payment, and to know what I was doing.

Q.—What purpose did you think that would serve?

A.—Nothing beyond being more satisfactory to myself. Men of business generally require things to be done in that way.

Q.—I understood you that, notwithstanding what Sir George Cartier had said about making a subscription among his friends, and raising some portion of the same, you yourself had little hope of being recouped?

A.—Very little hope indeed.

Q.—Why did you think it necessary to have this letter written?

A.—Simply because, as I thought, as a man of business, I should have an authority for the large sums of money I was going to pay.

Q.—This, then, is the only document that you have which relates to any agreement or arrangement in respect of that money between you and any member of the Government, or the only one that was ever executed?

A.—The only one that I know of.

Q.—And no understanding or condition was made, though not expressed in writing, as to the receipt of that money, or as to the mode in which it was to be recouped, or as to some advantage which was to be given to you?

A.—None whatever.

Q.—I observe in the letter of the 7th August you speak very definitely. Have you a copy of that letter with you?

A.—I have not.

Q.—The words used are these:—"It is unnecessary to detail the various phases through which it passed, but the result is that we yesterday signed an agreement by which, on certain monetary conditions, they agree to form a Company, of which I am to be President to suit my views, to give me and my friends a majority of the stock, and to give the Company so formed the contract for building the road on the terms of the Act of Parliament." You explain that in using the word "yesterday" in your letters of the 5th and 6th of August, written to General Cass and Mr. McMullen, you merely meant to convey the idea that it was recently, the letters having been written in a hurried manner, you never supposing they would be published, and in both you refer to this document, and this only?

A.—I referred to both letters.

Q.—And this letter goes no further than what is contained in both documents?

A.—No further.

Q.—You say "signed an agreement." You were aware that any document which Sir George Cartier signed would not bind the Cabinet?

A.—Yes, I was aware of that.

Q.—Then why did you use the expression, "signed an agreement"?

A.—It was the expression used in the hurry of the moment; undoubtedly the agreement was just so made.

Q.—Was it upon any opinion you had expressed in a letter of the 1st in which you say:—"On a calm view of the situation, I am satisfied myself that the decision of the question must ultimately be in the hands of one man, and that man is Sir George Cartier, the leader and chief of the French party, who has held the balance of power between the other factions, and has sustained and kept in office and existence the entire Government for the last five years." Did you take what Sir George Cartier did as according to your view of the situation equivalent to an agreement with the whole Government?

A.—No, I cannot say that I did. I looked upon it simply as an agreement that he would promote our views when the time came, in the Cabinet, and until the telegram was made known to me that Sir John Macdonald declined to accede to it, I looked upon it as a kind of agreement.

Q.—You are still more definite in your letter to Mr. McMullen of the 6th, wherein you say, "He yesterday signed an agreement by which on certain monetary conditions they agreed to form a Company, of which I am to be President"?

A.—These were merely expressions made use of in consequence of the communication with Sir George Cartier. I had no communication with the Government at all.

Q.—And the only documents embodying what you have called an agreement are contained in this letter of the 30th July, by Sir George Cartier, and one other letter?

A.—The only ones.

Q.—This letter of the 30th July, will you have the goodness to look at it, the longer letter of the 30th July. In whose handwriting is that letter, the body of it?

A.—There are two writings in it, and I do not know either of them.

Q.—When was that signed?

A.—It was signed, I should think, between twelve and one o'clock on the 30th July.

Q.—On the occasion of the first interview?

A.—Yes.

Q.—On the first interview you say the money was spoken of?

A.—Yes, at close of it.

It was immediately after that interview that that letter was signed, and immediately afterwards the money was spoken of.

Q.—Was anything said about money before the longer letter of the 30th of July was signed.

A.—Nothing whatever.

Q.—Was Mr. Abbott present on that occasion also?

A.—Yes.

Q.—I do not desire to press the question which I am about to put, but I should like you to answer it if you have no objection. It seems a very large sum for anyone to give towards such a purpose, and as I only know by report your means and the extent of the capital employed in the various undertakings in which you are engaged in connection with railway and other great enterprises, if you have no objection, I should like you

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to give a general statement of the amount of capital you have in these undertakings. Of course it is a question I do not press if you do not choose to answer?

A.—I have no objection to answer. I consider that my property, invested in various ways connected with the country, in business of all kinds, amounts to about \$6,000,000.

Q.—Then all the interest that you speak of in connection with your investments in this way would be promoted by the policy of the Government?

A.—It was with that intention that I supported them.

Q.—Was there any discussion as to the exact terms of this longer letter before it was signed?

A.—I think there must have been.

Q.—Do you remember what it was?

A.—I am not quite certain what it was, but I think I probably wished to have a larger amount of influence in the Company than the Government were willing to give me, and I think it was probable that that was the point that we discussed together. I think it was entirely the organization of the Pacific Railway, and I think it only referred to the amount of influence I would have in it, and nothing else.

Q.—Claims made by you for more favourable terms and not conceded by Sir George?

A.—Yes.

Q.—Are you aware that Sir George at one time, according to the evidence before us, had an opinion entirely unfavourable to the introduction, not merely of American control, but of American capital in this enterprise?

A.—I am aware that he had, up to the very last moment, when the ultimate contract was signed, and on that day when I had the interview with him in regard to this matter, one of the conditions was that no American capital or control was to be introduced into it.

Q.—Did you at any time consider him hostile to the interests you were desirous of promoting?

A.—I did.

Q.—Up to what period did you consider him decidedly hostile to the interests you thought it desirable to promote?

A.—Up to the time that a Committee of his constituents came up to Ottawa and visited him, for the purpose of influencing him on the subject. There was a large meeting held of his principal supporters in Montreal, and they, entertaining the opinion generally held in Montreal, as to his hostility to the organization we had formed, appointed a Committee to come to Ottawa and assure him that if he continued that hostility, he would not be re-elected for Montreal. I understood from them afterwards, that Sir George had agreed to abate his hostility and forward the views expressed by his constituents as far as possible, but I have no doubt it was that hostility which caused the loss of his election in Montreal.

Q.—When was that deputation?

A.—I think it was during the Session of Parliament.

Q.—That is the one Mr. Leblanc speaks of?

A.—The same.

Q.—You used all the influence you possessed in endeavouring to mould public opinion in unison with your own views; were you in any way instrumental in stimulating the feeling that prevailed in favour of views which Sir George did not approve of?

A.—I was no doubt very influential in raising public opinion in Montreal in favour of the scheme, and there is no doubt that meetings were held and means were used to diffuse information, which had a great effect in causing a feeling to arise against Sir George Cartier.

Q.—Did you know anything of this deputation waiting on Sir George Cartier during the Session; did you know anything of it before it was formed, or of the intention to form it before it was formed, or when did you first become aware of the appointment of the Committee?

A.—I first heard of it in Montreal. There was an intention of sending up a Committee for the purpose. I was aware that they had held a meeting and appointed a deputation, but I did not know anything about what the instructions to that Committee were, or what the action of the Committee was.

Q.—When did you first discover that there was a change in Sir George Cartier's views, or that yielding to the pressure of opinion he was disposed to change them?

A.—Immediately after the deputation called on him. I was at Ottawa within a few days of or at the time the deputation was here. I happened to meet Sir George, and I thought I observed some change in respect to his views.

Q.—Can you fix the date of that?

A.—I cannot.

Q.—Was Parliament in Session at the time you met Sir George?

A.—I think it was. I think it was within a day or two after that deputation was up here.

Q.—You were with a deputation that waited on the Government at Ottawa?

A.—Yes.

Q.—What is your recollection of what occurred on that occasion. What gentlemen were with you representing the interests you were desirous to promote?

A.—Mr. Smith, Mr. McMullen, and myself, I think, were the only ones to represent that interest. There was, perhaps, another, but I think there were only three. I think the members of the Government numbered altogether nine or ten, and the discussion was participated in by Sir Francis Hincks and the deputation. Sir George Cartier never spoke during the whole time. Very few of the other members spoke at all. No opinion was expressed by the Government on the subject.

Q.—Do you remember what was said?

A.—I remember that I explained to them the route by which it was proposed to take the railway, the advantages it would give to the Provinces, the means by which it could be built, and the results that would probably arise from it. I don't think anything was said by any member of the Government except merely asking explanations on points which they did not quite understand.

Q.—Was that the interview at which you were asked to make some proposal?

A.—It was.

Q.—What did you say?

A.—I said "Are you prepared to accept a proposal if I make one?" Sir John replied, "We are not prepared to accept any proposition;" then I said "I am not prepared to make one."

Q.—Returning to the money question once more, I understand you to say that you had no hope or expectation of receiving that money back again?

A.—Not the slightest.

Q.—You say you got this paper as a sort of business matter. Did you make any entry in your books as to the disbursement of that large sum of money?

A.—In my own private books.

Q.—What was the form of the entry?

A.—I don't keep it in regular style and make entries in it.

Q.—Is there any entry made which would indicate any source from which you expected to have those large sums repaid to you?

A.—A considerable portion of the money was expended in the Northern Colonization Road. I do expect to get back some portion of that money because it was legitimately expended for railway purposes. There was a large amount of money expended on the Pacific Railway, I having paid all the preliminary expenses connected with it. I do not expect to get that back. In all probability I will not. There was a large sum expended on the Ottawa and Toronto Railway. I think when that comes to be organized I will get that back. I have paid for surveys, and paid the commissioners for getting bonuses from the municipalities, altogether quite a large sum of money, and I expect to get that back. The portion of money paid to assist in the elections directly I don't expect to be repaid.

Q.—That is the money you disbursed to Sir George Cartier, Mr. Langevin, and Sir John?

A.—Yes.

Q.—And the subsequent moneys, paid through Mr. Abbott?

A.—Yes, amounting in all to \$162,000.

Q.—Did you make any entry in your books about those particular sums. Did you separate them?

A.—No, I don't think I did. I imagine that my books contain merely a memorandum of the payments.

Q.—And you have no claim in any way for their repayment?

A.—No, not in the slightest.

To Sir John A. Macdonald, through the Chairman:

Q.—As I understand it, then, the agreement between you and the Government, or any member of the Government, may be considered to be confined to my telegram of the 26th July?

A.—I think so.

Q.—At the time that that telegram was sent to Sir George, on the 26th July, there had been no conversation with him or anyone about helping to contribute to the elections.

A.—No, not at all; it was after that.

Q.—It was after that, so that as far as that agreement was concerned there was no connection between your subscription to the elections and that telegram?

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A.—None at all.

Q.—When Sir George and yourself entered into this agreement of the 30th July, varying the terms of my telegram, its terms were settled before there was any discussion about money matters?

A.—Yes, immediately after those terms were settled the discussion about money matters came up.

Q.—Then his letter, my telegram to him of the 26th, and his letter of the 30th July, were all before the conversation took place about the money matter. Then on receiving my telegram, or after having ascertained that I objected to the agreement of the 30th July, you replied to me next day that I might treat your letter as waste paper?

A.—I am not sure what day it was, but it was a day or two afterwards, at all events.

Q.—You authorized Sir George, also, to telegraph me that your letter might be regarded as waste paper, and that the agreement was my telegram of the 26th July?

A.—I did.

Q.—Therefore, any sums you may have advanced to aid in the elections, must have been after you were aware that I had rejected that letter of the 30th July of Sir George?

A.—I cannot say when the actual payments were made.

Q.—The agreements were made on the afternoon of the 30th July, and on the 31st you replied that your letter was waste paper?

A.—I am not sure when the payments were made, but I regarded them, at all events, as having been paid without reference to that matter.

Q.—You say that you considered it to be to your interest to support the Government and its policy in the various subjects you have mentioned?

A.—I did.

Q.—And that there was a danger that that policy might be discontinued or reversed in case of a change of Government?

A.—I apprehended it might be so. I did not know that there would be, but I apprehended that there might be.

Q.—Now in that communication in that paper, respecting the recouping, he (Sir George) says, "You or your Company." What Company does it refer to?

A.—I am not able to explain what Company was meant. I can only judge from analogy. Sir George had said before that the Americans were to have nothing to do with it, therefore he could not have meant them. The Canadian Pacific Railway Company was not formed, except provisionally, and had no fund. The only other Company that he could have possibly meant, was my own firm, and that never paid any of the money.

Q.—Sir George did not know of the agreements between you and the Americans, and could not have any reference to them?

A.—No; he did not know anything about it.

Q.—You never showed him that agreement, or made any communication to him on that matter?

A.—I did not, nor to any member of the Government.

Q.—And you kept that away even, I take it, from the other gentlemen connected with the Canada Pacific Railway?

A.—Except talking about it in general terms to Mr. Macpherson and the other gentlemen in Toronto, there was no knowledge of it whatever.

Q.—Sir George did not know of it; you never told him?

A.—No, he did not know of it; at least, not from me.

Q.—I need not ask you about the loan to me of \$4,000?

A.—I have clearly stated that.

Q.—Not a word of truth in it?

A.—None.

Q.—Not only no \$4,000, but no dollars at all nor cents?

A.—None.

Q.—You have stated that you did not give authority to Mr. Abbott to make arrangements with Mr. Langevin as spoken of in Mr. McMullen's letter?

A.—I do not remember speaking to Mr. Abbott at all on the subject.

Q.—I remark that you state that you gave a discount to 'La Minerve' newspaper. Was that a business transaction?

A.—A business transaction entirely.

Q.—Had it any reference at all to the Government or to the Pacific Railway?

A.—Not the slightest.

Q.—As a matter of fact, was that arrangement between the proprietors of 'La Minerve,' or with the individuals composing the firm?

A.—It was not with the proprietors of 'La Minerve.' It was with an individual and not with the Company.

Q.—You made them a discount at your Bank?

A.—I don't remember whether it was through the Bank or through myself. It was for a small amount; a mere business transaction.

Q.—Then there was no agreement?

A.—None.

Q.—Was there any telegram from me to you approving of or confirming the proceedings of Sir George Cartier, as stated by Mr. McMullen?

A.—You did not telegraph me at all that I know of.

Q.—Your received no telegram from me approving of Sir George Cartier's arrangement, and the only acquaintance you have of any telegrams from me was one disapproving of it?

A.—Exactly.

Q.—I see that Mr. McMullen speaks in this interview about your being a large gainer, and that you would be recouped by the Government deposits, to a large extent, in the Merchants' Bank?

A.—The Merchants' Bank has the smallest amount of Government deposits of any Bank of the same class, so that was quite impossible. The Merchants' Bank collects at various points for the Government, where its other agents have no branches, so there is a very small amount there, much smaller than is usual in other Banks.

Q.—Do you happen to remember the amount?

A.—It varies every day.

Q.—Can you state the average?

A.—I think it is from \$200,000 to \$300,000.

Q.—Any profits that might be made on these deposits, to whom would they go?

A.—To the shareholders of the Bank, of course.

Q.—And not to Sir Hugh Allan personally?

A.—By no means.

Q.—You get your portion?

A.—Yes, my share of the dividend, that is all.

Q.—Mr. McMullen states that you prepared a memorandum, setting forth all the telegrams, correspondence, and everything connected with the Pacific Railway, and threatened the Government to publish it, and that then they came to your terms. Is there any truth in that?

A.—None whatever.

Q.—Did you ever make any communication approaching to it?

A.—None whatever.

Q.—It is altogether a falsehood?

A.—Entirely.

Question by the Commission.

Had you any communication from the Government respecting the suppression of these letters?

A.—None whatever.

Q.—Or from Sir John, Sir George, or any other member of the Government?

A.—None whatever.

Question by Sir John Macdonald.

There is a statement by Mr. McMullen that I sent you a telegram stating that you had "a big thing," and "must shell out." Did you ever get such a telegram?

A.—I never got such a telegram.

Q.—Or anything like it?

A.—No, nor anything like it.

Q.—When in one of your letters, which has been referred to, to Mr. McMullen, or Mr. Cass, I forgot which, you say "by the means you know of," did you refer to pecuniary means, or political exertions by yourself, or how?

A.—I don't know.

Q.—What did you mean when you said in your letter of the 1st July, 1872, that means must be used to influence public opinion?

A.—It meant simply by newspaper articles and means of that kind.

Q.—Working up the public excitement and so on?

A.—Yes, the usual way in which such things are done.

And further for the present deponent saith not.

And on this 25th day of September the said witness re-appeared and made the following addition to his foregoing deposition:

In answering the question "Was anything said about the money before the longer letter of the 30th July was signed?" I wish to say that nothing was said about money

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And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the nineteenth day of }
September, 1873, and acknowledged } (Signed) HUGH ALLAN.
on 25th day of said month and year.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this nineteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable JOHN J. C. ABBOTT, of the City of Montreal, Advocate, who being sworn, deposeth and saith:

Q.—You reside in Montreal?

A.—Yes.

Q.—You are an advocate?

A.—Yes.

Q.—And a member of the House of Commons?

A.—Yes.

Q.—Do you know Sir Hugh Allan?

A.—I do.

Q.—Have you been connected with him of late years in railroad operations?

A.—I have been associated with him in two or three railroad enterprises during the last year or two.

Q.—Do you know Mr. G. W. McMullen?

A.—I do.

Q.—You are aware of the charges relating to the construction of the Pacific Railroad, and the furnishing of money for the elections, recited in the Commission. Will you have the kindness to state in detail what you know of these matters?

A.—My first interview with Sir Hugh Allan on the subject of the Pacific Railway was very shortly after the Session of 1871. Then I suggested to him that this enterprise would be a fit object for gentleman of his position and wealth. To that he replied, "Well, put down your ideas in writing," but this I did not do for reasons which it is unnecessary to mention now. I did not take any further steps then. The next I heard of the Pacific Railroad from Sir Hugh was when he called on me in Montreal, I think in the month of March, 1872, and asked me if I would assist him, as he was going to take up the enterprise. I agreed to do so, and shortly afterwards I met Mr. McMullen at his house in the evening, at a dinner party or something of that sort. He (Sir Hugh) then told me that he had made an arrangement with certain American capitalists to form a Company to build this road; that he had been in communication with the Government about it, and that he thought they could organize a Company that would build it, and that they would get the contract. As far as I recollect, he did not show me either the contract or the supplementary contract on that occasion. In fact I did not see either the one or the other until within the last few days, except the contract which I saw for a moment at Montreal in the early part of this year, at a meeting I had with Mr. McMullen and two of his friends, and I have not yet read them carefully. He said that the Americans had sketched a Bill for the incorporation of the Company; that they thought the best mode of getting the road built was by a corporation, and he gave me these two Bills as a sort of basis for the preparation of the legislation that was required for the incorporation of the Company. I took them, and that was about all that passed on that occasion. I was not told who the people were, and I think did not know until a very considerable time afterwards, except that one of them was Mr. J. Gregory Smith. I did not know that there had been any formal agreement executed

at that time, or if I had heard that there was, I did not know its nature. It amounted to this, that Sir Hugh Allan, probably recollecting my suggestion to him of the previous year, and knowing that I was frequently engaged in my professional capacity, in the organizations of corporations, applied to me to prepare the necessary Legislation for the Company to build the road.

I undertook to do that, and shortly afterwards Parliament met.

I don't know that I had any further interview or conversation, either with Sir Hugh Allan or Mr. McMullen, until after Parliament met. I came up to Ottawa about the first week of the Session, and I found that there was a very considerable feeling in the House against the admission of American influence into the Pacific Railway. In fact I suggested to Sir Hugh Allan and Mr. McMullen that there probably would be such a feeling, and that if they attempted to give to it the character of an American Company, they might not succeed in passing their Bill. When I reached Ottawa, however, I found this feeling much stronger than I had anticipated, and I found then for the first time that a Company had been partially organized in Upper Canada. A number of names had been got which were understood to be pledged to the formation of a Company to exclude American capital and American control. I conferred with a good many of the members, and with some of the Ministers in a general way about this, and I saw plainly that no Charter to incorporate a Company to build the road with American capital, or leaving the control of it in the hands of Americans, would be sanctioned by either the House or the Government. A short time after this Sir Hugh Allan came himself to Ottawa; I think I asked him to come, and I told him what I thought was the position of affairs, and that unless he set himself to work to organize a Canadian Company, and abandon his American project, he could not succeed in what he wished to do.

Q.—About what time was this?

A.—About three weeks after the opening of the Session. It must have been about the end of April, I should suppose. I had two or three conversations with Sir Hugh Allan on this point, and Mr. McMullen himself had been here before that, and I had expressed the same opinion to him. I told Sir Hugh this in the presence of Mr. McMullen, and after some consideration Sir Hugh authorized me to proceed with the preparation of a Bill for the incorporation of a Company that would entirely exclude American influence and American capital. I should not say American capital, we could not exclude that if people chose to put it in, but entirely to exclude American influence, and I understood from that moment that any agreement that had been made with American capitalists was at an end. Subsequently I told Sir John Macdonald our conversation; and I also approached Mr. Macpherson, and suggested to him, that as Sir Hugh Allan and his friends were willing to go into a Company composed entirely of Canadians, and entirely under the influence and control of Canadians, it would be better if he and his party, which was strong, should join with Sir Hugh Allan and his party, which was also strong, in forming one Company for the purpose of taking up this enterprise—that is one Canadian Company. Mr. Macpherson was not convinced that the connection between Sir Hugh Allan and his American friends had ceased, nor that the influence of those people had ceased in the Company; and this was one of the reasons, though not the only reason for his not yielding to my suggestion to form but one strong Company—the strongest Company the Dominion could raise, to proceed with the building of the road. Consequently I then prepared a Charter for the Canada Pacific Railway Company, which was the name given to the Company of which Sir Hugh Allan was the prominent man, and the Charter of the Interoceanic Company was subsequently prepared and printed in nearly the same language.

Q.—They were incorporated by Statute?

A.—Yes, but the incorporation did not take place for a considerable time after that. I think the Canada Pacific Bill was printed first, and the Interoceanic Bill afterwards, containing the clauses of the Canada Pacific Bill, and a few more, and the matter remained in that position until about the beginning of June. The policy of the Government as I understood, during that interval, was not settled with regard to these Companies; that is to say, they seemed to be unwilling that the incorporation of private Companies should proceed until their own measure, laying down the principles upon which they were prepared to act in carrying out the enterprise, should have either passed the House, or made such progress before the House, as would enable everyone to know what the project was really to be.

After this took place, the Bills were allowed to go before the Standing Committee on Railways.

Q.—The policy of the Government then to exclude American influence was known before these Acts of Incorporation were passed?

A.—It was known in this way, that everyone knew that there was a strong feeling on

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the part of the Government against American influence. No one knew, as far as I am aware, that there had been any distinct decision by the Government, but yet everyone in the House distinctly understood, that either the Government, or the greater number of the gentlemen composing the Government, were opposed to American influence being introduced into the Company, and more especially was Sir George Cartier known to be opposed to it. I know myself that on several occasions he expressed himself strongly against the admission of American influence, and appeared to show rather a hostile feeling towards the Allan Company; and to have the idea that they did intend to take the Americans into their organization. For some time he appeared to have that feeling. About the first week in June, I think, the Bills were allowed to go to the Committee.

The Government Bill having been introduced, and its terms made known, the other two Bills were allowed to go to the Committee, and they were passed in exactly the same language. I do not think that there was any difference in them from one end to the other, except in the names of the corporators. The Canada Pacific Company's Bill had been framed with a clause, excluding absolutely all foreigners from being members of its Board, but the Interoceanic Company's Bill, as prepared, provided only for the exclusion of a majority of foreigners from its Board, and permitted a minority of the Company on the Board. Before the Committee, the form of the clause adopted by the Interoceanic Company was inserted in the other Bill, and I believe that both stood, and for that matter stand to this day, allowing a minority of foreign Directors; but up to that time there was this difference, that the Canada Pacific Company had provided for the exclusion of all foreign Directors.

Q.—That is, the draft Bill that you prepared for the Canada Pacific Company expressly excluded Americans?

A.—Yes, it excluded all foreigners.

Q.—The other Bill was in the terms you state, providing for a majority of Canadians?

A.—Yes. The Bills were read a first and second time and referred to the Committee on Railways, and in that Committee their terms were assimilated to each other in the form adopted in the Interoceanic Company's Bill.

Q.—With the approbation of the promoters?

A.—Yes; at least I cannot say that the question was ever submitted to the promoters of the Canada Company's Bill. I was representing them before the Committee, and as the Government were desirous of having the Bills in the same terms, and Mr. Macpherson's Company were unwilling to put in a clause excluding foreigners, I yielded to the suggestion that it would be better not to exclude them absolutely, and to make the Canada Company's Bill the same as theirs. Immediately after the Session there was a sort of provisional organization of the Canada Company. They appointed a President and Vice-President, and caused books to be opened throughout the Dominion. The books were opened in the principal towns in every Province in the Dominion, and notices were inserted calling for subscriptions of stock. The greatest possible publicity was given to these notices, and there was no restriction as to the amount which might be subscribed. The Company were anxious, so far as I knew, to get all the subscriptions they possibly could. The matter remained in that condition.

Q.—About what time were those books open for subscription?

A.—I think early in July, but I am not quite certain as to the date. Immediately after this provisional organization took place, the Company communicated to the Government the fact that they had so provisionally organized themselves, and applied to be granted the contract. They got no immediate answer to that, but shortly afterwards were informed, I think by a letter from the Government, that the Government desired that an effort should be made for an amalgamation between the two Companies.

Q.—Did you say that they applied for the Charter?

A.—They applied for the contract, stating their readiness to construct and run the road in accordance with the Government Act. Shortly after this they received an intimation from the Government that they would like to see an amalgamation of the two Companies, and they immediately communicated with Mr. Macpherson's Company urging such an amalgamation and expressing their readiness to make it on such terms as might be agreed upon; and also communicated to the Government their readiness to do this. Nothing came of it at that time. The elections then came on, and about the commencement of them, I think, I was sent by the Canada Company to Toronto to press upon Mr. Macpherson the amalgamation. I saw him in Toronto, and I also saw Sir John Macdonald there on one or two occasions. The substance of what passed between Mr. Macpherson and myself is detailed with sufficient accuracy in his own printed and sworn statement. The result was that there were only two points upon which there was

any difficulty; one was that Mr. Macpherson could not agree to Sir Hugh Allan being President of the Company; the other was that Sir Hugh Allan would not agree to Mr. Macpherson's naming a preponderance of the Directors of the proposed amalgamated Company. These were the two points. This was communicated to Sir John A. Macdonald, and he at this time endeavoured to assist me in bringing about an agreement with Mr. Macpherson. I think he had one or two interviews with him; and when I left Toronto his impression was, as stated to me, that these little difficulties could be got over, and that we would succeed in this amalgamation. That also was my opinion. About the end of July, I think it was on the 29th of July, Sir Hugh Allan called upon me at my office, and asked me to accompany him on the following day, at 11 o'clock, to Sir George Cartier's house. He said that he had an appointment with him at that hour. To the best of my recollection Sir Hugh is mistaken in saying that I had been with him at previous interviews with Sir George Cartier. I do not think that I was with him except on the occasion of which I have just spoken, namely, the appointed meeting of the 30th July. Sir Hugh called upon me, and we went to Sir George's rooms and saw him there. Sir George and Sir Hugh had quite a lengthy discussion, which appeared to me to flow to some extent from previous interviews about the position of these Companies, about their amalgamation, about the prospects of the amalgamated Company in connection with the Railway; in fact, on the whole subject; and they came to agree in certain views about the matter, which were stated by Sir George and Sir Hugh plainly enough. The basis of their conversation was the telegram which Sir John A. Macdonald had sent Sir George on the 26th July, and Sir Hugh urged certain additional conditions beyond those mentioned by Sir John A. Macdonald. In point of fact, the telegram of the 26th July appeared really to settle nothing except what had been perfectly understood from the first, so far as I know, that Sir Hugh Allan was the fittest person to be President of the Company. That the Government considered him so, and considering him so would use their influence to obtain for him that position; but everything else connected with the railway and the enterprise was to be postponed until the elections were over. This position of affairs did not exactly settle one of the objects for which I understood Sir George and Sir Hugh had met. The people of Montreal, and a very large portion of the people of Lower Canada, were extremely anxious to know something about this railway and its prospects. They thought that the preponderance of the Upper Canada Company meant that the traffic of the Pacific Railway would be brought down to Toronto, and over the Grand Trunk to Montreal and the seaboard; while the preponderance of the Lower Canada Company would ensure a direct communication to Montreal with the Pacific Railway, by means of the Montreal Northern Colonization Railway, which the people were also very much interested in. In the interests of Sir George Cartier's election, as well as for other reasons, Sir Hugh appeared desirous of having something more definite settled than was contained in Sir John's telegram. The result was that they appeared to agree upon certain points in which Sir George was disposed to favour Sir Hugh's views. Sir Hugh then said to Sir George—"Now if you can put these points in writing for me, as you state them, I think they will satisfy our friends." Sir George was extremely busy, and was not a very ready penman at any time, and he said—"Mr. Abbott has heard our conversation, let him put down what he understands has passed between us, and come back this afternoon and we will close it up." We then rose to leave, and were leaving the room when Sir George addressed Sir Hugh on the subject of money in the manner which Sir Hugh has described. He said in an off-hand kind of way, "Are you not going to help us with our elections?" Sir Hugh said he would, or words to that effect, and said, "How much do you want," or "How much do you require?" or something like that. I understood Sir George to say that there would be a considerable sum required, as there was so much opposition on various grounds. Sir Hugh said, as far as I can recollect, "Well, write down what you want." Sir George said very rapidly, "You know you won't lose it all. Our party will make up the greater part of what you give, but we want it now," or something like that. My memory is very imperfect as to the exact phrases used, as I never endeavoured to recollect them until lately, when the matter became the subject of conversation. Sir George then said, "Very well; come back this afternoon. Let Mr. Abbott write a note requesting you to advance this money, and telling you that I will see that you are repaid, and come back this afternoon at such an hour and we will close the whole matter up." We left upon that; I went to my office, sketched a letter about the railway affair, either by dictation or otherwise, I don't remember now corrected it, and had it copied.

Q.—I would call your attention to these two letters now?

A.—I sketched those two letters.

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Q.—You saw them, I suppose?

A.—I sketched them; I drew them. I sketched those two letters roughly, knowing, I thought, what to say with regard to the first—the railway affair—but knowing very little about the other. Sir Hugh called upon me, and I took these two letters I had sketched to Sir George Cartier's office with Sir Hugh Allan. The first letter, referring to the railway, Sir George was satisfied with as to the first two pages of it, but not with the third. The letter was written upon three leaves. He was satisfied with the first two leaves, but the conclusion of the letter did not exactly please him. He said “leave that off, and I will dictate to you what conclusion to put to it.” He then dictated the four or five lines which constitute the last sentence of the letter as published, signed it, and handed it to Sir Hugh Allan. The other letter with respect to the money he did not approve of, and struck his pen through the most of it, I think, if not the whole of it; wrote a few words upon the draft, and requested me to write it over for him, which I did, either from his dictation or the draft so altered by him. These are the two letters which Sir Hugh has produced this morning. I find that my recollection differs a little, but not materially, from that of Sir Hugh. I think that the terms of the first letter referring to the railway were agreed to, but that it was not written or signed at the first interview; that is, we were leaving, and after the terms had been agreed to, Sir George spoke to him about the money in the manner in which Sir Hugh Allan has indicated, and that in the afternoon the two letters were signed. That is my recollection of the circumstances connected with that. Subsequently, in fact I think some time after this, the question of the amalgamation of the two Companies was revived. We received an informal intimation from the Government, or some member of the Government, that it would be well to have a meeting at Ottawa, I think in the latter end of the month of September, with the Interoceanic Company, or with leading men from that Company, carrying out precisely as I understood it the telegram of Sir John A. Macdonald, of the 26th July. Several members of the Canada Company came to Ottawa accordingly, and some gentlemen, I think connected with the Interoceanic Company, also came, but of this I am not quite sure. At all events, on our arrival here, or shortly after, we were informed that the Interoceanic Company had sent in a Memorandum giving reasons for declining the amalgamation.

Q.—Is that the Memorandum published in the Blue Book?

A.—Yes, the first one. We saw several members of the Government about it, and requested to have a copy of that paper, that we might have an opportunity of answering it. They urged upon us to endeavour to answer it in such a manner as to remove the objections of the Interoceanic Company if possible, rather than get into an altercation with them, and so increase the difficulties of amalgamation. The paper was not communicated to us at Ottawa, but a copy was sent to us at Montreal. The answer was drawn up as we thought in a very conciliatory spirit; urging the amalgamation strongly, and endeavouring to dispose of the grounds of objection raised by the Interoceanic Company, and doing all that we could to endeavour to bring about an amalgamation. This answer was communicated to the Interoceanic Company, and they replied to it I think.

Q.—Was that the document of the 12th of October, signed by Sir Hugh Allan, yourself, and Mr. Beaubien?

A.—Yes; but I cannot remember the date. We were the provisional Committee. An answer was sent to that, which, I think, is also printed. On seeing that answer we thought that the attempt to amalgamate would prove unsuccessful, and I do not think the Canada Company took any further steps to bring about an amalgamation; but we were informed that the Government had taken up the matter and were making an effort, and of Sir John A. Macdonald's visit to Toronto to see Mr. Macpherson; and the probability at first of his succeeding and afterwards of his failure. These efforts were commenced before the elections, suspended to some extent during the elections, and recommenced towards the end of September and carried on until the end of November, with every desire, I think, on the part of the Canada Company to have been successful. After this, I think either at the end of November or the beginning of December, late in the autumn, at all events, Sir Hugh Allan was informed, and I myself I think verbally, also, that the Government intended to form a Company under the power given them by their Act; that they did not think that it would be proper to give the contract to either Company incorporated; that these Companies were to a very considerable extent sectional, and that the Company which should get the contract must be one that would fairly represent the whole Dominion. The Government then stated that they were endeavouring to get together a Company composed of such men as would fairly represent the whole Dominion, and would command confidence here and in England, where it was supposed the funds were to be obtained for building the road. Shortly after this a few of the gentle-

men whom the Government had been consulting about the Company, met in Ottawa, and perhaps every week or so they met again, their numbers being increased each time by persons who were thought fit to come, and who were encouraged to come in. I think that in January the number had been pretty nearly filled up, and the framing of the Charter was proceeded with. At the meetings here I had always taken an active part, and given a good deal of attention to the whole subject, and I came gradually to be put forward without any formal appointment to represent those gentlemen in settling the details of the Charter; and the Government corresponded with me on several occasions in that sense, and caused me to visit Ottawa to meet members of the Government for the purpose of working up the Charter. And in that way during the month of January, and I think up to the 5th of February, the clauses of the Charter were discussed and the Charter framed, after a very great deal of discussion and attention on both sides. It was framed as it now is, and was issued about the 5th of February, of this year, in the form which it now assumes.

Q.—What number of interviews had you with the Government?

A.—We had several interviews with the whole Cabinet, but the details of the Charter were settled chiefly with Sir John A. Macdonald and the Hon. Mr. Campbell.

I don't know whether any narrative I could give you could proceed further than that I have given; but any further questions which the Commission may choose to put me I will be happy to answer.

Q.—Did you know of the correspondence between Sir Hugh Allan and Mr. McMullen and Mr. Smith, while it was going on?

A.—Nothing whatever. I had no idea of it at all.

Q.—Have you any personal knowledge about these telegrams of the 30th and 31st of July, to Sir George Cartier, respecting that letter of the 30th of July, embodying the new terms of agreement?

A.—No. I had no knowledge of them until very recently. I was under the impression until some time ago, that Sir John A. Macdonald concurred in Sir George Cartier's letter, but I cannot at this moment remember what caused that impression. It was without any foundation whatever, I am satisfied now.

Q.—Were you present at any of the meetings between Sir Hugh Allan and Mr. McMullen, except the one you have mentioned?

A.—I had an informal meeting on one occasion early in the Session, when I informed them—Sir Hugh Allan and Mr. McMullen—that unless the American project was laid aside, it would be useless to attempt to carry out their enterprise. I met them both frequently afterwards.

Q.—You have seen Mr. McMullen's published letter of July?

A.—Yes.

Q.—Do you remember the statements made with respect to the payments of, or promises of, sums of money?

A.—I don't remember sufficiently well what promise you refer to.

Q.—The first is, that Sir Hugh Allan announced to Mr. Smith and Mr. McMullen that \$8,500 had been lent to Sir John A. Macdonald and Sir Francis Hincks?

A.—I know nothing whatever of that.

Q.—It also speaks of \$50,000 which Sir Hugh Allan said it was necessary to pay to Sir Francis Hincks?

A.—I never heard of that except in the newspapers.

Q.—Did you ever hear Sir Hugh Allan mention either of these sums, or that they were expected by the parties to whom they were given?

A.—No, never.

Q.—Then the letter says: "In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin \$25,000 to aid in the elections about Quebec, on condition of his friendly assistance, and Mr. Abbott reported that he had done so?"

A.—As regards that I think it is necessary to make a statement. In the first place, the statement in that form is entirely untrue, but it is quite true that I had a conversation early in the Session with Mr. Langevin about the expenses incurred in the elections at Quebec. Mr. Langevin mentioned to me that at the previous general elections he had been obliged to expend a very considerable sum of money, not very large in itself, but large comparatively, and he said he did not think it fair that the burden of those elections should rest entirely on him. He said he thought he ought to have a share of any funds subscribed in Montreal for election purposes to assist in Quebec, which he had not had in previous elections, and that they could not expect much of a subscription from Quebec to help the Government. I agreed with him in thinking that it was unfair that he should bear the burden of the Quebec elections, and I told him that in so far as I

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could have any influence in the matter I would try that he should have a portion of any fund which might be got up in Montreal for general election purposes. Talking over matters—and I think it is this that Mr. McMullen speaks of—it came out in conversation that probably the elections would cost in the district of Quebec, irrespective of his own, a sum of \$25,000 or \$30,000. I told him that as far as I could influence the matter I would endeavour to get something like that amount allotted to the district of Quebec. That is what took place between Mr. Langevin and myself. I did not at that time make any allusion to the position of the Canada Pacific and its Charter. I knew Mr. Langevin was a strong Lower Canadian, and I thought that his friends were all in favour of arranging the Pacific matter in such a way that there should be direct communication with the seaboard at Quebec and Montreal, and I assumed that in any matter in which he could support the views of the Lower Canadians he would do so, and we did not wish anything more. I never said anything more; I never reported that I had made any arrangement with Mr. Langevin, though, no doubt, I did mention it to Sir Hugh Allan, that if we got up a fund Mr. Langevin should have a part of it to the extent of \$25,000.

Q.—Did you communicate this to Mr. McMullen?

A.—It is not likely that I would do so; though Mr. McMullen appears to have become aware of it. But there has been so much spying and betrayal of private documents and abstraction of private letters in the course of this affair, that it is impossible to say how Mr. McMullen became possessed of it.

Q.—I do not understand you?

A.—I mean that nearly if not all the papers published in the press relating to this Pacific affair have been obtained by illegal if not criminal means. For instance, the four papers which were published at the end of Mr. McMullen's second letter, must have been obtained by means which I think I may call criminal.

Q.—What papers do you refer to?

A.—I refer to the two telegrams and the receipts, the one from Sir John Macdonald to me, the one from me to Sir John Macdonald, the letter of Sir George Cartier to me, and the receipt of the Montreal Committee to me.

Q.—In whose possession were they?

A.—These papers were in my possession during the absence of Sir Hugh Allan in Newfoundland.

Q.—Have you them yet?

A.—No, I gave them to Sir Hugh Allan when he returned from Newfoundland, and it is quite obvious, at all events I am convinced of the fact, that those papers were either stolen from the private drawer in which they were kept while in my possession, or from the place in which Sir Hugh Allan put them.

Q.—You say Sir Hugh Allan has them now?

A.—I don't say he has them; I say I gave them to him on his return in September, 1872. I don't suppose these gentlemen had the originals in their possession, but they must have obtained them by bribing a confidential clerk or secretary who had access to them to copy them. For these reasons I say I don't know how Mr. McMullen got his information. It is barely possible that he could have heard it from Sir Hugh Allan or myself.

Q.—You were acting as confidential agent to Sir Hugh Allan with respect to the money?

A.—No, I don't think I was. Sir Hugh Allan asked me to assist him in this affair. I think the preponderance of his motive was that my professional practice had led me in the direction of this kind of business—the organization of Companies. I also took an interest as a public man in this particular railway, but I considered I was acting more as the solicitor of Sir Hugh than in any other capacity I can describe. I never was in any sense his agent.

Q.—I think you were made the medium through which the moneys were paid for election purposes?

A.—Only while Sir Hugh was in Newfoundland. I never had anything further to do with the moneys than this. I was present when those letters which I have described were talked about and signed, and when Sir Hugh Allan left for Newfoundland I was made the medium of communication with him with respect to three or four transactions.

Q.—Did any other sums come into your possession other than those subscribed by Sir Hugh?

A.—None whatever. I had nothing whatever to do with the distribution of the money subscribed for the elections.

Q.—What was the amount paid through you by Sir Hugh Allan for the elections?

A.—The first amount was \$10,000.

Q.—At what date?

A.—I think it must have been about the 8th or 10th of August. It was \$10,000 which

he left in my hands to be given to Mr. Langevin. He wrote to Mr. Langevin, I think, informing him that the money was in my possession, and that on his giving me a receipt for it I would pay it. The first I heard of Mr. Langevin's action was his telegraphing me to meet him on the Quebec boat, which I did, on his way down to Quebec. He said he had received a letter from Sir Hugh Allan saying that on giving a receipt I would give him the money. He said he could not understand why such a receipt was asked from him. I told him I did not see that there was any reason for it either, and I did not think that there was any particular reason. He then said that he would have nothing to do with it; that he could not give me any receipt. He did not know what Sir Hugh Allan's reason was for asking it, and at all events he would not give any receipt whatever. It looked to him as if it might be said that it was not a free subscription to the elections at Quebec which Sir George Cartier had promised him, and unless it was, he would not take it at all; and moreover, he would on his arrival at Quebec return the \$15,000 which Sir George Cartier had previously caused to be sent him. He appeared to me to be a little excited about the matter. I left him upon his expressing his determination not only to refuse that money but to send back the \$15,000 which was the sum first paid. I telegraphed Sir Hugh Allan saying that Mr. Langevin did not feel disposed to give any receipt, and asking his authority to give Mr. Langevin the money without a receipt. I did not get an answer within two or three days, and knowing that the elections were going on, and that the money would probably be wanted, I took the responsibility of sending the money to Mr. Langevin by express, and wrote him at the same time telling him that I had done so.

The second sum, namely, \$20,000, was paid to the Montreal Central Committee, I getting Sir Hugh Allan's authority to pay it, by telegraph. The third sum was \$10,000, respecting which Sir John Macdonald telegraphed me. That I also informed Sir Hugh of, and obtained by telegraph his authority to pay it. I think these were all the sums of money I had anything to do with. I kept these vouchers, these letters and telegrams, in my private drawer in my office until Sir Hugh Allan returned from Newfoundland, and then I gave them to him.

Q.—Were they out of your possession at all?

A.—Not that I know of.

Q.—The \$20,000 was given upon this letter of Sir George Cartier's to you of August 24th?

A.—Yes.

Q.—You are familiar, of course, with the terms of it, namely:—"On the same conditions as the amount written by me at the foot of the letter to Sir Hugh Allan of the 30th ultimo. Please send Sir John Macdonald \$10,000 more on the same terms." What did you understand by those expressions in Sir George's letter to you?

A.—I understood him to refer to the letter of the 30th July, in which he informed Sir Hugh Allan that any advances he made would be recouped.

Q.—There were two letters of that date, both drafted by you in the first instance, then portions of them rejected, and the whole modified by Sir George. Do you remember the terms of your draft of your letter?

A.—No; I do not. My impression is that the third sheet of the longer letter was rejected because the conclusion did not please him, and my idea was that the objection was hypercritical, as it only referred to the phraseology.

Q.—Not to the matter, but only to the form of expression?

A.—Yes; you will perceive that the conclusion of the letter is a sort of statement that these being his views he would urge them upon his colleagues. The form in which the draft concluded was a little different from that, but not materially. He preferred his form, and he dictated it to me, and I wrote it as you see it.

Q.—What was your draft relating to the money?

A.—I think it was about the same length as the one produced, but I cannot say positively. I had a great difficulty, I remember, in saying anything about the details, because I did not understand how it could be recouped, and did not believe that Sir George could raise such a sum of money as he described from his party.

Q.—Were there in the draft any special terms or conditions upon which the money was to be advanced?

A.—I think not.

Q.—Do you think it corresponded in general meaning with the letter that is produced?

A.—I think so. I think it made some mention of the money being repaid out of such money or fund as could properly be appropriated to the purpose. It was a perfectly harmless letter, and one perhaps less open to misconstruction than the one which has been produced.

Q.—There was no difference as to the substance?

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A.—Not that I recollect. Sir Hugh Allan informed me that he did not attach the slightest importance to the promise of repayment.

I think, if the Commission will allow me to refer to it, I remember a statement which appears in a Chicago paper, said to have been made by Mr. McMullen to some newspaper editor there, respecting an agreement which he says was executed subsequently to the 30th July, and he mentions a circumstance which he appears to think confirms his position in connection with the agreement. He says it was written by three clerks in my office, so that none of them might know its contents. No such agreement was ever prepared or written, but as a matter of fact the first letter which has appeared before your Honours was written by three clerks in my office. The first two pages were written by two different clerks, and the third leaf was written by a third clerk, and that is the paper of which some person, I have not the slightest doubt, who has been willing to betray confidence, has given him an inaccurate description, and caused Mr. McMullen to suppose that it was a different paper from that produced.

Q.—Why was it written by three clerks?

A.—Simply because the space of time between the interviews was so short, I had to write it out or dictate it, get it extended, corrected and recopied, and so I placed one sheet in the hands of each clerk to save time. If I had supposed it possible that any one of those clerks could have been bribed to disclose the contents of the paper I might have been more anxious to prevent their knowing what it contained, but I had no such idea and no such motive.

Q.—Were you present at any other interview, or do you know of any communication between Sir Hugh Allan and any members of the Government in relation to the subscription of money for the elections?

A.—No, I never heard of any other.

Q.—Do you know how these moneys were spent at all?

A.—I cannot say that I do. I have a general knowledge that they were expended in furthering the elections in different parts of the Province.

Q.—Sir George Cartier's election?

A.—Yes, and other elections. I do not know many of the details; I have personal knowledge of scarcely any of them. I was not a member of his Committee, and did not take part in his election, as I had enough to do in attending to my own.

Q.—Did you ever hear from Sir Hugh Allan an expression of expectation of receiving any advantage from the Government?

A.—He certainly had the expectation of receiving advantage. He expected to retain in power the Government whose policy he approved of, but as to the Pacific Charter, beyond sustaining in power the Government which was disposed to carry out the building of the Pacific Railway, I most unhesitatingly say that I never heard a word from him.

Q.—You were in very intimate relations with him on this subject?

A.—Yes. I did not see him very often, but he seemed to speak to me without any reserve.

Q.—Do you know Mr. Foster?

A.—Yes.

Q.—Was he present at any of your interviews with Mr. McMullen?

A.—I think he was present at interviews with Mr. McMullen during the Session. He was one of the Directors of the Canada Pacific Railway Company, and we desired to get him on the Board of the Canadian Pacific. He is a man of considerable railway experience, and I believe of capital. He was entirely in the confidence of the Company, and during the Session of 1872 assisted, to some extent, in getting the Bill through. And I have no doubt that Mr. Foster, Mr. McMullen, and myself frequently met during that Session.

Q.—Did you ever have any conversation in Mr. Foster's presence in relation to any sums of money to be paid to the Government or any member of it?

A.—To the best of my recollection, no. Nothing of that sort was ever contemplated at all to my knowledge, either during the Session or afterwards. The election fund, to which Sir Hugh Allan afterwards contributed, was not, I think, spoken of at all during the Session, except as I had previously stated. After the Session I saw very little of Mr. Foster, and nothing at all of Mr. McMullen for a considerable time.

Q.—Sir Hugh Allan mentioned that he had never given anything so large at any previous elections. Did it occur to you that this was a very large sum for him to give on this occasion?

A.—I know nothing of what he had given on previous occasions, but I certainly thought that this was a very large sum for him to give. At the same time it must be observed that he did not agree deliberately to subscribe the whole of this sum at once.

He contributed from time to time as the elections went on and as the money was needed. Probably he might have hesitated at subscribing so large a sum at once, but the feelings and interests which he himself has described probably led him, as the money was needed, to continue his contributions to a larger sum than he originally intended.

Q.—Do you know of any other facts which will throw light on his motives in giving this large sum?

A.—No, most certainly not. To my own mind Sir Hugh Allan's motives as described by him are perfectly clear. He is interested in the carrying trade to an enormous extent. About \$3,000,000 of his fortune is invested in the carrying trade alone. I mean in sea-going steamers alone. He has also a large amount of money invested in the Inland carrying trade. He was forced, as he imagined, and not unwillingly, perhaps, to enter into an organization for an extensive series of railways providing for a second communication between the seaboard and the interior of the country. He had taken up with a vast deal of energy and enthusiasm this Pacific Railway scheme. He had been himself a member of the Canal Commission, if not the Chairman of it, and had taken great interest in that. On every one of these subjects the Government had a policy which was favourable to his views, and in my opinion three times the sum would have been well spent if it had been necessary to keep a Government in power, which had, according to his views, and my own too, the improvement of the country so deeply at heart as this Government appeared to have.

Q.—Did he think so at that time?

A.—Yes, certainly.

Q.—Did it not strike you as strange that he should contribute so largely?

A.—Not at all strange considering his position and his objects.

Q.—You say that you had several interviews with the Government, and more particularly with Sir John Macdonald and Hon. Mr. Campbell, discussing the terms of the Charter before it was finally settled. Did you propose any modifications in the original draft?

A.—Yes. The work which was done during, I think, about a fortnight of very close application to the Charter was of two kinds. One was a very critical examination of the phrases and language of the Charter, and that took up a good deal of time. The other did not take up so much time, namely, the discussions of certain modifications which were suggested on both sides to the original draft. I made several suggestions, some of which were approved, and some of which were rejected.

Q.—What was the general nature of the modifications you suggested?

A.—I suggested, I remember as one thing of importance, that there should be power granted to the Company to issue a further amount of stock, and Sir Hugh Allan had that very deeply at heart indeed, because he feared that an application to English capitalists to obtain money might be unsuccessful if these capitalists were not to have any share in the prospective advantages of the Road. That was discussed at considerable length with the Government, and finally the matter was submitted to the Government itself, and Sir Hugh Allan's views in this subject, and my own were overruled. There were several other points on which I desired to have modifications, for instance, the amount of bonds per mile. I thought that it was too small.

Q.—Did your views prevail?

A.—They did not prevail in that respect. I remember another subject which was considerably discussed, namely, as to the mode and in what proportions the money and lands were to be paid to the Company for the construction of the Road. The original design was that they should be paid on the certificate of the Government engineer. My idea was that there might be a difference of opinion between the Government Engineer and the Company, and I was anxious that there might be some independent tribunal to which the question should be referred, and finally a very guarded clause was introduced which provided a referee or referees for that purpose.

Q.—Did you propose any modification in the original draft having reference to the admission of American capital or American control?

A.—No; quite the contrary. From the moment I prepared the Bill for the House of Commons, I considered that the design of introducing American influence and control into the Road was abandoned. I did not regard it as impossible that it might be revived; that might depend upon the policy of the Government; but as far as I know the idea of carrying out the Road by American influence and capital was abandoned. My impression was that Sir Hugh Allan, while he authorized the organization being proceeded with on that ground, still appeared to entertain in his own mind the idea that some time or other we might be obliged to have recourse to American capital. That is the way in which I account for his having continued in private correspondence with the Americans.

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So far as I and the Company were concerned, there was not the slightest idea of the introduction of American influence and capital. My efforts were directed to framing the Charter, or assisting the Government to frame the Charter, so as to exclude the possibility of it.

Q.—Were you present in Ottawa at the time the names of the gentlemen who appear in the Charter were settled on?

A.—They were not all settled on at once. It was a work of some time to collect together the Directors of the Company. I am aware that several gentlemen were spoken to, others were corresponded with, several came to Ottawa and saw the Government; and one by one fit people were selected from one part of the Dominion or another, until the full complement of thirteen was decided upon. I think the last one was not entirely settled upon until within two or three days of the signing of the Charter. I refer to Mr. Hall. He was not finally selected until two or three days before the Charter was signed, partly because Sir Hugh Allan and myself had urged the appointment of some one suggested by Mr. Foster, and partly because Mr. Foster himself was desirous of being represented on the Board, and partly, I believe, because Sir George Cartier had expressed a wish that Mr. Foster should be on the Board or represented on it.

Q.—Did you come to Ottawa instructed by the Company, or prepared to submit any names as Directors to the Government?

A.—No.

Q.—Did you submit any names?

A.—No, I never did. The only name on the Board that was submitted by any member of the Company?

Q.—Do you mean the Canada Company?

A.—No. The Canada Company ceased to have any existence, I may say, for the purpose of this Railway, when the design of amalgamating it with the Inter-oceanic Company was abandoned.

Q.—Still to some extent the interests of the Canada Company were represented?

A.—No, not in the slightest degree. When the project of amalgamation was abandoned, several gentlemen independent of any Company were asked to come to Ottawa to meet, with the view of discussing the details connected with a Company. I have not a very precise idea of the way they were got together at first, but I know that five or six gentlemen who desired to be interested in the formation of a new Company, met at Ottawa, and the Canada Company had no more to do with it than any imaginable company out of the realm.

Q.—Do you know if Sir Hugh Allan suggested any names to the Government?

A.—Yes, I know he suggested the name of Mr. Beaudry.

Q.—Any others?

A.—No others that were accepted. The only one I believe that Sir Hugh Allan was the means of introducing into the Company was Mr. Beaudry.

To Sir John A. Macdonald through the Chairman:

Q.—Speaking of the terms which were granted to the Canadian Pacific Railway Company by the Charter; and supposing that Sir Hugh Allan had had no connection in any way with the Company, from what you know of the policy of the Government, and from the communications between members of the Government and yourself and the Board, would not the same terms have been granted?

A.—I have not the least doubt they would. I think the terms of the contract and Charter were settled without the remotest reference to Sir Hugh Allan any more than to any other member of the Board. I never knew a suggestion of his, however much it might be pressed, if it appeared unreasonable that was not rejected without ceremony. I don't know of any favour or concession ever having been made to him.

Q.—Then you are satisfied that if the construction of the Road had been confided to the Inter-oceanic Company, they would have got the same terms?

A.—I am quite satisfied of it.

Q.—Then these subscriptions for election purposes had no effect on the Charter?

A.—No; so far as I knew, and I believe I was in a position to know as much as any one, the subscriptions for the elections had no influence whatever upon the negotiations. I never heard them referred to.

Q.—Was it not the case that every effort made by Sir Hugh Allan to get any preponderance to his sectional influence was overruled?

A.—I don't know that he made any special effort to give a preponderance to his sectional interests in the Canadian Pacific Company, but in the Canadian Pacific Company, the efforts that he made were overruled; for instance, I know that he made some suggestions in respect to the amalgamation, and that they were overruled.

Q.—There is a quotation made in one of Mr. McMullen's letters. A series of paragraphs from the paper, communicated by the Canada Pacific Company to the Government, stating distinctly that so far as that Company was concerned, they had no connection with American capitalists?

A.—Yes.

Q.—That truly expressed the action of the Canada Pacific Company?

A.—Most decidedly.

Q.—Of which you were a member?

A.—Yes.

Q.—You were not aware of this correspondence with Sir Hugh Allan?

A.—I was not aware of it.

Q.—So that these communications between Sir Hugh Allan, Mr. McMullen and others, were matters personal to Sir Hugh Allan himself, for which the Canada Company were in no way responsible, and which they repudiated when they were known?

A.—Entirely so. Except as to the repudiation they did not become known until after the Canada Company had ceased to take any action in the Pacific matter?

Q.—Mr. McMullen in the discussion of the particular question refers to a trifling matter to which I might as well refer. Mr. McMullen said in effect, that at an interview which he had with Sir John A. Macdonald he gave him copies of documents, Sir Hugh Allan's drafts for the \$40,000, and the receipts of Mr. Todd for the Private Bills expenses of the Canada Improvement and Canada Pacific Railway Companies paid by him?

A.—In that communication of Mr. McMullen he professes to slight or disparage the statement of the Canada Pacific Company, that they had nothing to do with the Americans, and he quotes in support of his pretension that they had, the fact that he had paid the House fees on the Bills which were introduced in the first instance in the House for the Canada Company. In point of fact, that fact is true, though the inference is not correct. I believe he did pay the House for the two Bills and some other trifling expenses.

Q.—What would they amount to?

A.—The House fees were \$245.00 for which I got receipts. There were some other trifling expenses, probably amounting to \$100 or \$150 more.

The receipts for the House fees are herewith produced and filed marked "S." and "T." In fact Mr. McMullen did keep up a certain amount of connection with the promotion of the Pacific Bill, after he was perfectly aware that all connection with the Americans must cease. He was a Canadian himself, and was very anxious to keep himself connected with the scheme so far as he could, in hopes of something turning up in the end. He met Sir Hugh Allan occasionally. The Bills were called up in the Committee hurriedly, and it was necessary to have the fees paid on them before they could be passed through the Committee, and to the best of my recollection I said "I wish Sir Hugh would send the money," or "I wish I had the money to pay the fees," or something of that kind. He said he had money for such purposes, and he paid the fees. The matter had entirely slipped from my memory, as I supposed he had settled it with Sir Hugh Allan. However, when negotiating for giving up Sir Hugh Allan's correspondence last January, he told me that he had these receipts for the House fees, and the other small expenses I have mentioned. I told him to bring them to my office and I would give him a cheque for the amount unless Sir Hugh Allan settled with him. Sir Hugh Allan did settle with him, and Mr. McMullen gave up those receipts to me.

Q.—Are you aware what sum Sir Hugh paid him in relation to giving up the correspondence?

A.—The sum of \$20,000.

Q.—Are you aware of what money he refunded of what he received from the United States capitalists?

A.—He told me that he had refunded it all.

Q.—Do you know anything about the sealed packet of letters left with Mr. Starnes?

A.—Yes. It was I who arranged for their deposit with Mr. Starnes. About the latter end of the year Mr. McMullen himself, I think, told me that he had a number of letters.

Q.—Letters of what year?

A.—Of 1871 and 1872, I think. He (Mr. McMullen) made an application to Sir Hugh Allan, claiming that his people had the right to command the services of Sir Hugh Allan in connection with the Pacific contract, and stated that Sir Hugh had not used them well, and that he ought to pay whatever advances they had made, and also for their loss of time and other claims. The demand made by Mr. McMullen amounted to a con-

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siderable sum. I think over \$200,000, if not \$250,000, in the first place, but this included the \$40,000 Sir Hugh had received. Afterwards there was some little negotiation about it, and he reduced his claim somewhat, and finally he came to Montreal with Mr. Smith and Mr. Hurlburt. He read me passages from the correspondence, and showed it to me; stated to me his position, and added that he had been ill used, and spoke of his claim for a considerable sum of money. He also showed me the contract with his friends, which I glanced over to verify a statement he made as to its contents. I wrote him, with Sir Hugh Allan's authority, that so far as the disbursements went, Sir Hugh Allan was ready to pay them, and with regard to their services, he was ready to pay them a reasonable sum, but that the demand he was making was one which did not appear to me to be based on either of those principles, but was in fact such a demand as that Sir Hugh could not listen to at all. He came to Montreal, as I have stated, with Mr. Smith and Mr. Hurlburt, of Chicago. I had an interview with those gentlemen, and I then, for the first time, saw those letters. I think this was in January. I did not read them all, but I read, or heard read, extracts from some of them, which showed me their character. I saw at once that the publication of these letters which Mr. McMullen had threatened to publish, would produce a deal of outcry, and would probably interfere with the prospects of the deputation going to England to raise money for the Road. I thought it was best for Sir Hugh Allan to make any arrangement in reason, or out of reason, in order to get through with his mission to England before there was any row made about them. I therefore arranged with Mr. McMullen to accept \$40,000 in American currency. He assured me that he had spent above \$20,000, and the remainder he claimed as remuneration for loss of time of himself and his friends. But this arrangement did not include the \$40,000 received by Sir Hugh Allan.

I thought it would be a prudent precaution to prevent the publication of these letters, and therefore to make the payment of part of the money dependent upon their not being published for a reasonable length of time. The paper read by Sir Hugh Allan, which was afterwards given to Mr. Starnes along with the sealed packet, was prepared by myself. It was submitted to Sir Hugh Allan and signed by him, and afterwards also signed by Mr. McMullen. The package was made up on the spot, and Mr. McMullen and I gave it into the hands of Mr. Starnes.

I also paid Mr. McMullen \$20,000. The cheque for the remainder was to be delivered to him some time after the rising of the Session in the event of these papers not being published. He declared to me that there were no copies of them in existence, except the one which he had given to Sir John A. Macdonald, which is the copy referred to in the paper. He undertook also to procure the sanction of Messrs. Smith and Hurlburt to this arrangement, and he wrote a letter to Sir Hugh Allan, discharging him from all claims of every kind and description. I think Sir Hugh Allan has this letter which Mr. McMullen wrote to him. I also produce and fyle the letter which Mr. McMullen wrote to me marked "U."

Q.—Do you know Mr. McMullen's handwriting?

A.—I think I saw him write this letter.

Q.—Was that concession or payment made by Sir Hugh Allan at once or after consultation with you?

A.—It was made after the negotiation had spread over a couple of weeks, I should think, and after several notes and interviews had passed between Sir Hugh Allan and myself.

Q.—You were negotiating with Mr. McMullen?

A.—I was negotiating with him on behalf of Sir Hugh Allan as his Solicitor in the matter.

Q.—What did you say was the motive that induced Sir Hugh Allan to give a sum beyond the actual disbursements which were alleged to be \$20,000.

A.—In the first place, I think, Sir Hugh recognized the fact that Mr. McMullen and his friends had really spent a good deal of time about their scheme, and that they had given themselves a good deal of trouble about it. I think he recognized also, that they should have some remuneration for that. I think he considered that the sum demanded for that was very large, indeed exorbitant, but he thought it was better to settle the matter than to have a great outcry and scandal, while he and the delegation to England were endeavouring to raise money for the Pacific Railway. I imagine that he saw that if these letters were published an immense deal more would be made out of them than their importance warranted, by any parties who were opposing the Pacific scheme, and he desired that their publication, if it were to take place, might not be until after his return.

Q.—When did you, Mr. McMullen, and Sir Hugh come to an understanding?

A.—It is mentioned in the paper which was fyled this morning.

Q.—As soon as you came to an agreement it was committed to writing?

A.—Yes.

Q.—Was it at your suggestion that a portion of the money was withheld?

A.—Yes.

Q.—You were acting as Solicitor for Sir Hugh Allan?

A.—Yes.

Q.—And thought it a reasonable and proper precaution to take?

A.—Yes. I thought it possible that there might be copies of these letters extant, and that no sooner would the money be paid than copies might appear in the newspapers. I thought that the retention of a portion of the money would operate as a check against anything of this sort.

Q.—“Within ten days after the end of the coming Session of Parliament, Mr. Starnes is requested,” and so on: why was that time fixed upon?

A.—Just for the same reason as any other time might have been fixed upon in order to give sufficient time to enable the delegation to go to England and return. The publication then would be better than during the Session of Parliament, as it would create less noise and scandal than during the Session.

Q.—The date is the 26th of February. When did Sir Hugh Allan leave for England?

A.—I think on the first of March.

Q.—For what purpose?

A.—As one of the delegation to try to raise funds for the Pacific Railway.

Q.—When did copies of these papers appear in the newspapers?

A.—The first time that copies appeared was on July 4th, in the ‘Montreal Herald,’ but the charge Mr. Huntington made in the House was supposed to be based on some copy which he had of these papers. I understood that he proposed to read papers which bore a resemblance to these documents.

Q.—You say that it was apprehended that the publication of these papers might affect the mission upon which Sir Hugh Allan went home to raise money. Do you know if it did?

A.—I am perfectly certain that it did. I was one of the delegation of four—composed of Sir Hugh Allan, Governor Archibald, Major Walker, and myself—and the chief difficulty we met with in England, was the feeling caused by the violence of the publications in this country, the extravagant charge made against the Company, causing the belief in the minds of English capitalists that the success or failure of the Company depended upon the success or failure of one of the great political parties in this country. People became convinced, as far as I could judge, when these charges were made and reiterated to such an extent, that if the Government maintained themselves in power, the Contract would likely be carried out and the Company go on; while on the other hand, if the Government were ejected from power, the Contract and the Charter would fall to the ground, and the road would not be built. They felt then that they were not only imperilling their money on the chance of the success of an enterprise sufficiently difficult in itself, but on the chance of one or the other of the political parties remaining in power. There was more hesitation from that notion, that any successful result would depend upon the success of one party or the other, rather than in view of the difficulty of the undertaking itself. This it was that prevented capitalists in England from subscribing; in fact that was the reason given by one large firm of capitalists, with whom the delegation made the greatest progress in negotiating for the money.

Referring to the deposition of Mr. White, I wish to state that the draft Bill which he supposed I had prepared, and caused to be printed on behalf of the projected American Company, was, to the best of my recollection, the draft Bill in print, which I have already stated, Sir Hugh Allan gave to me when he requested me to prepare the legislation for the Session of 1872.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the nineteenth day of
September, 1873, and acknowledged
on the twenty-seventh day of said
month and year.

(Signed) J. J. C. ABBOTT.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

CANADA.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twentieth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

WILLIAM EDWARD BLUMHART, of the City of Quebec, who being duly sworn, deposeth and saith:

I reside in Quebec, but this summer I have resided temporarily in New Brunswick. My occupation is general agent of a company for building railways. I am not an engineer, but attend to the business portion of the agency.

Q.—Were you residing in Quebec during the years of 1871 and 1872?

A.—Yes.

Q.—Do you know Sir Hugh Allan?

A.—I don't.

Q.—Do you know Mr. George W. McMullen?

A.—No, I do not.

Q.—Do you know anything of an agreement made between those gentlemen relating to the building of the Pacific Railway?

A.—I do not.

Q.—Were you in a position to know anything of that matter?

A.—No.

Q.—You are then utterly without knowledge relating to that subject?

A.—Yes. I have no knowledge whatever, except what I have seen in the public prints.

Q.—Did you take any part in the general elections of 1872?

A.—I did.

Q.—Were you on any of the committees?

A.—I was on several committees, but not the General Committee.

Q.—Were you on any committees which were organized, as it was supposed, in favour of the promotion of the election of the Government candidates?

A.—Yes.

Q.—Do you know anything about the subscription of money for promoting the elections?

A.—I know that money was subscribed.

Q.—Do you know by whom?

A.—Several persons subscribed. I saw no names, nor any list of names of subscribers. I know there were subscriptions made. I do not know to what amount.

Q.—Do you know whether Sir Hugh Allan was one of the subscribers?

A.—I do not.

Q.—Do you know through whose hands any money came which was used by the Central Committee, or by any other committee?

A.—I do not.

Q.—How do you know that money was subscribed?

A.—I know that one gentleman told me that he had subscribed.

Q.—Was that Sir Hugh Allan?

A.—No. A gentleman from Quebec—a tradesman.

Q.—A tradesman in Quebec?

A.—Yes.

Q.—Do you know the names of any of the gentlemen who were on the Central Committee in Quebec?

A.—Yes.

Q.—Will you mention them?

A.—I know Mr. Beaudet.

Q.—His Christian name?

A.—Elisie.

Q.—Do you know the Hon. Mr. Langevin?

A.—I do.

Q.—Do you know whether any money was received through him by the Central Committee or by any person for the elections?

A.—I do not; I never was on that Committee at all.

Q.—Had you anything to do with the distribution of the moneys which were subscribed for the elections?

A.—All the money I had anything to do with was what we subscribed ourselves and spent ourselves.

Q.—Had you any conversation at any time with Mr. Langevin about election expenses?

A.—No.

Q.—Had you any such conversation with any other of the ministers?

A.—No.

Q.—Do you know anything about any understanding between the Government and Sir Hugh Allan and Mr. Abbott in relation to subscriptions for elections?

A.—No.

Q.—Have you any knowledge whatever in relation to the subject matter of this inquiry?

A.—Nothing but what has appeared.

Q.—Do you know why your name was put down upon the list of witnesses?

A.—I have no idea at all.

Q.—Have you ever said anything to give reason to believe that you had some knowledge concerning this matter?

A.—No, I always on the contrary, since I saw my name on Mr. Huntington's list of witnesses, said I had no idea why my name was put down, as I knew nothing about the matter.

Q.—For whose election were you on a committee?

A.—For the counties of Rimouski, Bellechasse, and Montmagny.

Q.—Who was the candidate for Rimouski?

A.—Mr. Sylvain.

Q.—Who for Bellechasse?

A.—Mr. Caron.

Q.—And for Montmagny?

A.—The Honourable Mr. Beaubien.

Q.—These were all Government candidates?

A.—Yes.

Q.—Were they elected?

A.—No, they were all defeated. They had not money enough.

Q.—Do you know whether any money was sent down from Montreal for the support of these elections?

A.—I do not.

Q.—Do you live in the City of Quebec?

A.—Yes.

Q.—Do you know anything of the elections in the City of Montreal or the Montreal district?

A.—No, my exertions were confined entirely to the Counties before mentioned.

Q.—Were you on the Kamouraska Committee?

A.—No.

Q.—Who represents Kamouraska now?

A.—Mr. Pelletier, I think.

Q.—Who represents Bellechasse?

A.—Mr. Fournier.

Q.—Were you on the Election Committee for the Centre Division of the City of Quebec?

A.—No, I was absent from the city. The elections in those three Counties, where I have mentioned I was engaged, took place on the same day.

Q.—Had you ever any conversation with Mr. Huntington on the subject of this inquiry?

A.—No, never; I do not know Mr. Huntington.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken, and acknowledged on the
day, month, and year first above
written, before us.

(Signed)

(Signed) WM. E. BLUMHART.

CHARLES DEWEY DAY, Chairman.

A. POLETTE,

JAMES ROBERT GOWAN, Commissioners.

CANADA.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twenty-fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

FREDERICK CALVIN MARTIN, of the Town of Woodstock, in the Province of Ontario, who being duly sworn, deposeth and saith:

Q.—I will read over the terms of the charge which it is the duty of the Commission to inquire into, that you may know precisely what they are, and then proceed to put you questions.

Having heard the charge read, I will now ask you first as to the part of the charge relating to the agreement between Sir Hugh Allan and Mr. G. W. McMullen. Do you know Sir Hugh Allan?

A.—I do not.

Q.—Do you know Mr. G. W. McMullen?

A.—I do. He is a second cousin of mine.

Q.—Do you know anything of an agreement between Sir Hugh Allan and Mr. G. W. McMullen, acting for certain United States capitalists, whereby Mr. McMullen agreed to furnish funds for the construction of the Pacific Railway?

A.—I know that Mr. G. W. McMullen, with several other capitalists, were forming an agreement with Sir Hugh Allan to obtain the contract for building the Canadian Pacific Railway.

Q.—When did you become acquainted with that fact?

A.—First through friends or relations of Mr. McMullen's.

Q.—About what time?

A.—I think it was in 1871, the latter part of 1871.

Q.—Have you any knowledge whether any agreement took place between Sir Hugh Allan and Mr. McMullen and his friends, tending, or with a view, to the construction of the Pacific Railway?

A.—I have no knowledge from Mr. McMullen himself, except this:—Had a conversation with him; I think it was in April, 1872, at my father's house. I spoke to him on that occasion on the subject of the Pacific Railway. The first question I asked him was about the route that would be taken; whether the Road would not be obstructed by snow, and as to how they would overcome that difficulty. He said that he thought that the Road would go too far north for that; or north of the snow limit, I think, he expressed it. I asked him if the 'Globe' newspaper would not be strongly opposed to the building of the Canadian Pacific Railway, it being a Government measure. He said no, not to any extent.

Q.—Do you know anything about the terms of this agreement?

A.—I do not.

Q.—You had no other conversation with him?

A.—Not at that time?

In July, 1872, I left for Chicago, in order to visit him. I arrived on the 28th July, 1872, and spent a week there, and then went on out to the prairies. I came back to Chicago, and I think it was on my return I stayed there about a week and a half.

One day Mr. McMullen came into the room and said he had received a letter. Holding it in his hand, he said, "This is from Sir Hugh Allan." He read me a part of the letter, and he said, "Sir Hugh Allan is a tricky fellow and not to be depended upon, but I think we have got him so tightly bound by these letters that he dare not go back on us."

Q.—Is that the whole of the conversation?

A.—Yes.

Q.—Was any allusion made to the part which the Government were taking, or that the Government had taken any part in that agreement?

A.—No, there was not.

Q.—Was any allusion made to any members of the Government?

A.—There was not. There was something said about the elections, but nothing affecting the Government.

Q.—Have you had any communication with Mr. G. W. McMullen since that on this subject—since the publication of these letters?

A.—I have not. I have had a conversation with his brother, Harvard C. McMullen.

Q.—You have seen those letters of Mr. G. W. McMullen's which have been published?

A.—I have.

Q.—You had no conversation with him on the subject of those letters?

A.—Not with him; only with his brother.

Q.—Do you know anything about the subsequent portion of the charge, as to Sir Hugh Allan's advancing money for the purpose of the elections?

A.—I do not.

Q.—Did you take any interest in the elections in your own part of the country?

A.—I did.

Q.—Have you any knowledge of any money being supplied from Montreal for these elections?

A.—I have not.

Q.—Of the elections in Lower Canada, I take it you know nothing?

A.—Nothing except what I have got from the newspapers.

Q.—Where do you reside?

A.—At Woodstock.

Q.—What is your occupation?

A.—I am a lawyer.

Q.—Do you know anything more about the subject matter of the charge which you have heard read?

A.—I do not.

Q.—Have you ever had any communication with Sir Hugh Allan?

A.—No. I do not know Sir Hugh Allan.

Q.—Or with any member of the Government on this subject?

A.—No.

Q.—And this conversation which took place with Mr. G. W. McMullen is all that you know about the matter?

A.—It is, except what I heard from his brother. Nothing more than that.

Q.—Where was Mr. G. W. McMullen going when you had this conversation with him in April?

A.—He was at home then in Chicago. It was in Chicago it occurred.

The first conversation occurred at my father's house in Beechville, about five miles west of Woodstock. I think he was on his way then to Ottawa, but I am not certain.

Q.—I believe you mentioned the dates at which these conversations took place respectively?

A.—Yes. One was in April, and the other conversation was in July, I think.

Q.—Have you mentioned the year?

A.—It was in 1872.

Q.—What time in July?

A.—It was in August the second conversation took place.

Q.—What time in July was the first conversation?

A.—The first conversation was in April.

Q.—What time in April?

A.—I cannot say. I am not certain that it was in April, but I think so.

Q.—What time in August was the second conversation?

A.—About the middle of the month. I remained in Chicago at that time a week, and from Monday till Saturday I was out on the prairies, and then I returned to Chicago, and left there on the 21st August.

Q.—Did Mr. McMullen show you any papers?

A.—Nothing but this letter, and he did not hand it to me, but only read me a portion of it.

Q.—Do you remember the contents of it?

A.—I do not know that I do. I did not pay any particular attention to it at that time.

It was a letter that he received in August when I was there, from Sir Hugh Allan.

Q.—Was any person present besides Mr. McMullen and yourself?

A.—There was not. There were other persons in the house, but we were alone in the drawing-room at the time. It was at his brother's house.

Q.—Where did he take the paper from?

A.—I think he had it in his hand when he came in.

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Q.—Was there anybody with him when he came in?

A.—No; he was alone. He had it open in his hand.

Q.—Was he apparently reading it?

A.—Yes. I was in the room when he came in. He then made the remark to me that I have mentioned.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twenty-fourth day
of September, 1873, and acknowledged
on the twenty-fifth day of said month
and year.

(Signed) FRED. C. MARTIN.

(Signed) CHARLES DEWEY DAY,
Chairman.A POLETTE,
JAMES ROBERT GOWAN,
Commissioners.PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twenty-sixth day of September, in the year of our Lord One thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THOMAS WHITE, junior, of the city of Montreal, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Q.—What is your profession?

A.—Publisher.

Q.—Publisher of what?

A.—The 'Montreal Gazette.'

Q.—Do you know the charges which are recited in the Commission; are you familiar with them, or shall I read them to you?

A.—I know them.

Q.—Do you know Sir Hugh Allan?

A.—I do.

Q.—Do you know Mr. G. W. McMullen?

A.—I do.

Q.—Have you any knowledge concerning any agreement between Sir Hugh Allan on one side and Mr. G. W. McMullen on the other, representing certain United States capitalists, relating to the construction of the Canada Pacific Railway?

A.—I have no knowledge of any formal agreement. I am aware that during the session of 1872 Mr. McMullen was in Ottawa representing certain American capitalists, as he stated, and was interesting himself in the construction of the Pacific Railway. During the earlier part of the session he was in very frequent communication with gentlemen in the House who were interesting themselves with Sir Hugh Allan in this enterprise, and I saw him frequently at that time, and had conversations with him. I am also aware that towards the close of the session Mr. Abbott, with whom I had frequent conversations, looked upon American connection as abandoned. I am aware too that Sir George Cartier, with whom I had frequent conversations during that session, was very much opposed to the American connection for the construction of the Railway, and was anxious to promote the interests of Mr. Macpherson's Company as an offset to it. I had one conversation with Sir George Cartier especially, in which, while professing a desire to see Sir Hugh Allan connected with the Company, he expressed his determination to have the Company so formed as to exclude the possibility of American connection.

Q.—Do you recollect the date?

A.—It was whilst the Bills were before the House. The conversation occurred before the close of the Session. It was at his own house and lasted two or three hours. The Northern Colonization Railway at that time was a prominent question in Montreal, and

I was giving it support through the newspaper, and it was in connection with that, that fears were entertained by some of the promoters of that scheme, that Sir George was opposed to it, and that this conversation arose.

Q.—When did your conversations take place with Mr. McMullen?

A.—In the early part of the Session. I had known Mr. McMullen for some fifteen years.

Q.—Do you know whether the Government gave him any encouragement in this scheme?

A.—I cannot say.

Q.—Had you any conversation with any other member of the Government than Sir George Cartier on the subject?

A.—No.

Q.—Had you any conversation with Sir Hugh Allan on the subject?

A.—I had conversations with him on general Railway matters. I understood his policy was to unite all the schemes with which he was identified as the easiest way to secure the construction of those in the Provinces of Ontario and Quebec.

Q.—Were you aware that he was associating himself with, or that negotiations were going on between him and those Americans?

A.—I inferred from the conversations I had with Mr. McMullen and Mr. Abbott that such was the case, but I had no direct knowledge of any formal agreement.

Q.—Was Mr. McMullen or any other person present at this conversation you had with Sir George Cartier?

A.—No.

Q.—Do you know anything more in reference to this branch of the subject?

A.—Nothing more.

Q.—Did you take any interest in the elections in Montreal in 1872?

A.—I did.

Q.—Were you on any of the Committees in Montreal?

A.—I was on the Committee for West Montreal but not on the Central Committee. I was frequently at the meetings of the Central Committee, but not a member of it.

Q.—Did you take any part in the election of Sir George Cartier?

A.—No direct part.

Q.—Were you on his Committee?

A.—I was not on his Committee.

Q.—Do you know whether any money was subscribed for the purpose of promoting the Montreal elections?

A.—I am aware that there was a fund as there always is at elections.

Q.—Do you know the amount of it?

A.—No, I have no knowledge of the amount of it.

Q.—Do you know whether Sir Hugh Allan was a subscriber to that fund?

A.—I have no personal knowledge that he was a subscriber.

Q.—In whose hand was the fund?

A.—Mr. Betournay, now Judge Betournay, was Chairman of the Committee, and I think any cheques that were drawn were drawn by him.

Q.—Cheques upon whom?

A.—Cheques upon the Metropolitan Bank.

Q.—Did you understand that the funds were deposited there?

A.—I understood that the funds of the Central Committee were deposited in the Metropolitan Bank.

Q.—Who drew those cheques?

A.—Mr. Betournay usually, I think. I saw him draw a good many cheques.

Q.—Do you know anything of the amount?

A.—No, I do not. I think the largest amount paid out was for canvassers. This system of canvassing has always prevailed in Montreal. The canvassers got their pay every Saturday.

Q.—Do you know of any understanding between Sir Hugh Allan and the Government, or any member of the Government or their supporters, for raising money for the elections?

A.—I do not.

Q.—Is there anything more that you have to state in relation to this matter?

A.—Nothing in relation to these charges.

To Sir John A. Macdonald, through the Chairman.

Q.—You say that you know that Sir George Cartier, in order to counteract any apprehended American influence, attempted to strengthen the Interoceanic Company?

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A.—I am aware of it.

Q.—Do you know that Sir George favoured the introduction as corporators in that Company, of some leading Lower Canadians for that purpose?

A.—I am aware of it.

Q.—Can you mention their names?

A.—The names mentioned at the time were Mr. Tourangeau and Mr. Simard.

Mr. Tourangeau was one of the members of the House for Quebec East at that time, and Mr. Simard was the member for Quebec Centre.

Q.—They were corporators in Mr. Macpherson's Company?

A.—Yes.

Q.—You know pretty well all the names of the corporators in that Company, and in the Canada Pacific Company?

A.—Yes. I have looked at them frequently.

Q.—Are there any American names mentioned in either of those Companies?

A.—I think not.

Q.—Do you remember anything about an original draft of the Canada Pacific Railroad Charter?

A.—I think that Mr. Abbott caused the original draft of that Charter to be printed before the Session.

Q.—Before the Session of 1872 there was a draft of the Act of Incorporation of the Canada Pacific Railway Company; there were Americans included in that?

A.—There were.

Q.—Mr. McMullen's name was in it?

A.—I think so, and Mr. Smith's of Chicago.

Q.—That draft was abandoned?

A.—Yes. I think it was never introduced at all into Parliament.

Q.—How do you account for its being abandoned; was it because of Sir Hugh Allan's connection with Americans, and consequently that such an Act would not be acceptable to Parliament?

A.—That was, I understood, the reason for its non-presentation.

Q.—You then understood from Mr. Abbott, who was promoting the Bill which is now on the Statute Book, that all connection with the Americans had been abandoned?

A.—Yes, and towards the close of the Session that was the general impression in regard to the Canada Pacific Company.

Q.—Mr. McMullen must have known that at the time?

A.—He must have known it, but I have no knowledge that he did know it.

Q.—You say, with respect to the expenditure of money for the elections in Montreal, you were on the Committee for the Western Division?

A.—Yes.

Q.—You don't know personally what was the expenditure in Montreal East?

A.—I do not. I think it was very large.

Q.—You say the largest item in the expenditure was the payment of canvassers?

A.—Yes, the payment of paid canvassers. That was a plan which was adopted by both sides.

Q.—Both parties had paid canvassers?

A.—Yes.

Q.—Was there a very large expenditure for that purpose, besides other expenses, in Sir George Cartier's election?

A.—There must have been from the number of paid canvassers. I cannot form any estimate of the amount, but it was several thousand dollars, judging from the whole expenditure that took place.

Q.—Do you know anything about a sum of \$25,000 being raised by the supporters of Mr. Jetté for his election?

A.—Nothing but the report prevailing at the time. There was a very large sum raised, and I understood it was \$25,000.

Q.—To assist Mr. Jetté in defeating Sir George Cartier?

A.—Yes.

Q.—Do you not know that by some mysterious process a good deal of Sir George Cartier's money went to the other side?

A.—That was the impression at the time. There is no doubt of our being sold. Men who had been working with us were found on the day of the election to be working for the other party. That was the case in both the Eastern and Western Divisions. I do not know whether we were outbid or not, but these men were found working on the day of the election on the other side.

Q.—You have read Mr. McMullen's letters, in which he makes charges of corruption against the Government, and in fact everybody else?

A.—I have.

Q.—I think he has included you?

A.—He has.

Q.—Would you be kind enough, with the permission of the Commission, to state exactly your relations with Sir Hugh Allan, and also what were his relations with your newspaper?

A.—The copyright of the 'Gazette' was purchased from Sir Hugh Allan and Mr. Brydges by T. and R. White (our firm) in 1870. The plant of the office was leased to us—leased upon the understanding, or upon the condition, that after a certain expenditure in the way of salaries the profits should be divided, and that we should have the right to purchase within ten years for \$30,000. The papers were made out, at Mr. Brydges' request, in the name of Sir Hugh Allan; hence our relations in the first instance with Sir Hugh Allan rather than with Mr. Brydges. After some time we became anxious to complete the purchase upon the terms agreed upon, and applied to Mr. Abbott, by whom the papers had been drawn in the first instance, or rather revised after being drawn by a notary,—we applied to him to arrange with Sir Hugh Allan for the purchase. Sir Hugh Allan was quite willing; but he thought he should be paid in cash, which was not convenient for us to do then. While these negotiations were going on through Mr. Abbott, the Montreal Northern Colonization Railway was the prominent subject of discussion at the time. Mr. Abbott sent for me one day, and told me that he thought he could have the matter arranged, and that in view of the support which the 'Gazette' had given to the Northern Colonization Railway, in which Sir Hugh Allan was deeply interested, he thought that there should be some consideration allowed for that, and that the Company would be disposed to agree to it. He therefore suggested that the papers be drawn up for \$20,000 instead of \$30,000. That was in January or February, 1872. We declined the arrangement, and said that we only wanted the purchase completed at the \$30,000.

Therefore the first charge made by Mr. McMullen is entirely untrue. In the second letter of Mr. McMullen's there is a charge made that we threatened Sir Hugh Allan with exposure unless he consented to an arrangement before leaving for England.

Having now heard read the portion of Mr. McMullen's second letter, which refers to this matter, and on being asked if that statement is true, I say that the statement is true as a matter of fact. Matters were "fixed up." The statement is strictly true in that respect; but in regard to the impression which it conveys it is entirely false.

The efforts made to get the paper into our own hands were prompted by two motives: first, the business promised to be a profitable one. In the next place, Sir Hugh Allan's connection with public enterprises in different parts of the country rendered it necessary that Sir Hugh Allan's connection with the paper should cease, so that no person could be able to say that the 'Gazette' had any connection or was under the influence of Sir Hugh Allan.

We wanted the arrangement to be carried out, if possible, before Sir Hugh Allan left for England, and the paper transferred entirely over to us. After the papers had been drawn up—some four or five days before Sir Hugh left for England—he thought that he should have a larger interest upon the unpaid sums, and the papers had all to be made over again at a larger rate of interest. They were then signed before he left for England, the amount mentioned in them being that named in the first lease when we first purchased the good-will of the paper.

Question by the Commission:

Q.—With whom did you see the printed Bill, prepared by Mr. Abbott, that you speak of?

A.—With Mr. Abbott.

Q.—In what form was it?

A.—It was in the usual form.

Q.—Where was it printed?

A.—I am not very sure; I think it was printed in our office. I saw it first in Mr. Abbott's possession.

Q.—Did he give you a copy of it?

A.—No he did not.

Q.—Do you know of any one having got a copy of it?

A.—I do not.

Q.—You have no knowledge as to whether he exhibited it to any one else?

A.—I have not.

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Mr. McMullen, I suppose, knew of it.

I knew such a Bill was printed, and that there were American names in it.

Q.—For what purpose did Mr. Abbott show you the Bill?

A.—Because we were in constant communication with regard to railway matters.

Q.—For what purpose did you say that he showed it to you?

A.—In the ordinary course of conversation; not for any specific purpose. I think I knew almost everything that was going on in connection with railway matters at that time.

Q.—The names of the American capitalists were Mr. McMullen and Mr. Smith. Were there any other names?

A.—No; I don't know of any others.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken, and acknowledged on this } (Signed) THOS. WHITE, JUN.
twenty-sixth day of September, 1873. }

(Signed) CHARLES DEWEY DAY,
Chairman.

A. POLETTE,
JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twenty-sixth day of September, in the year of our Lord, one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Honourable HECTOR L. LANGEVIN, of the City of Ottawa, being recalled on the application of Sir John A. Macdonald, was by permission of the Commission, the second time examined, who being duly sworn, deposeth and saith:

Q.—I think you stated in your previous examination that you had taken part in the elections on the Ministerial side in the District of Quebec?

A.—I did.

Q.—And that you had raised funds for that purpose?

A.—Yes.

Q.—How much did you say you had raised; how much did Sir George Cartier send you?

A.—\$32,000 I think.

Q.—Have you been a good deal connected with elections in your part of the country for many years?

A.—Yes.

Q.—Do you consider that that subscription or that expenditure was excessive in your part of the country, as compared with previous expenditures?

A.—I consider that the expenditure at the last elections was greater than at the previous elections, speaking of the expenditure in the elections around.

Q.—The expenditure on both sides was much larger in 1872 than in 1867?

A.—Yes, much larger.

Q.—Which was the most expensive election in your part of the country?

A.—I think it was Quebec Centre.

Q.—Who were the candidates?

A.—The candidates were Mr. Cauchon and Mr. J. G. Ross, merchant.

Q.—Can you form any idea as to the expenditure in that single election?

A.—I understand that the expenditure was—in fact I know that one of the candidates expended nearly \$15,000, and I understand that on the other side the friends of the other candidate expended nearly \$30,000.

Q.—You say that one of the candidates expended \$15,000; who was that candidate?

A.—Mr. Cauchon.

Q.—How did you know that he expended that amount?

A.—I knew it from himself.

Q.—How do you know the expenditure on the other side?

A.—I do not know it from Mr. Ross, but I know it from some of his friends, and it is a matter of public notoriety in Quebec that the expenditure on that side was nearly double that on Mr. Cauchon's side.

Q.—There was a good deal of riot in that election?

A.—Yes, and loss of life also. One man was killed. Perhaps I might be allowed on that point to state this also, that none of the money that was entrusted to me for the elections was expended in this election of Quebec Centre. I make this statement specially because it has been stated outside, of course by my opponents, that they were not surprised now to find that there had been so much rioting and loss of life in that election of Quebec Centre; and, of course, I wish it to be well understood that I had no part in that election.

Q.—You stood aloof from the election, did you not?

A.—Yes. The fact is, Mr. Cauchon gave me to understand that he was friendly to the administration, and so did the friends of Mr. Ross, on the other side, give me to understand that Mr. Ross was also friendly to us; and finding therefore that our friends in Quebec Centre were divided, some supporting Mr. Cauchon and others Mr. Ross, I stated to Mr. Cauchon and to Mr. Ross's friends that under the circumstances the Government would take no part in that election, but that they would leave their friends to fight the battle out themselves, and elect what candidate they thought right under the circumstances.

Q.—Are you aware of the election contest in the Missisquoi?

A.—Nothing special.

Q.—That is not in your district?

A.—It is not in the region I was looking after.

Q.—You know nothing of the expenditure there?

A.—No, only by hearsay.

Q.—Do you know anything of the expenditure in Kamouraska?

A.—Not personally, but I understand it was very large.

Q.—Who were the candidates?

A.—The candidates were Mr. Pelletier on the Opposition side, and Mr. Routhier (now Judge Routhier) on the other side.

Q.—The expenditure was very large in that County?

A.—It was very large.

Q.—Have you any means of judging approximately of the expenditure there?

A.—If I could judge from public rumours, I should suppose that it was between \$16,000 and \$18,000.

Q.—On both sides?

A.—No; about \$8,000 or \$9,000 on each side.

Q.—Which is Mr. Fournier's County?

A.—Bellechasse.

Q.—Do you know anything about the expenditure there?

A.—No; but I understood it was large on both sides.

The fact is that in all the elections the expenditure was very large; much larger than usual. My political friends from the different portions of the eastern part of Lower Canada all state that the expenditure against them was such that they could not stand it. This accounts to a very great extent for the loss of some of the Counties there.

And further deponent saith not, and this his deposition having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken, and acknowledged }
on this twenty-sixth day }
of September, 1873.

(Signed)

(Signed) HECTOR L. LANGEVIN.

CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

CANADA.

PROVINCE OF ONTARIO, }
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to inquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this thirtieth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The Hon. GEDEON OUIMET, of the City of Quebec, Provincial Secretary and Member of Public Instruction for the Province of Quebec, who being duly sworn, deposeth and saith:

Having heard read that portion of the charge contained in the Royal Commission, which reads as follows:

"That in anticipation of the Legislation of last session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian Promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated Railway, and to give the former a certain per centage of interest, in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company, with Sir Hugh Allan at its head."

I have no knowledge of such an arrangement, and I would add that, from communication with Sir George Etienne Cartier, Sir Hugh Allan, and some of the Directors of the Northern Colonization Railway, I was induced to think the contrary.

I do not know G. W. McMullen.

I do know Sir H. Allan.

I have never had any knowledge touching this arrangement, or any other of the kind.

I have no knowledge that the Government entertained the idea of entering into an arrangement of this kind. I say this because of frequent communications with the late lamented Sir George Cartier, who certainly entertained altogether contrary opinions.

I don't know that the Government, or any member of the Government, entertained the idea of entering into arrangements with Americans, or of forming any Company for the purpose of constructing the Pacific Railway in which American capitalists were to be included.

Q.—What was the nature of your relations?

A.—As a member of the Government of the Province of Quebec, I took an active part in the policy inaugurated by that Government in favour of the construction of railways within the limits of our Province, among others the Montreal Northern Colonization Railway. After the formation of that Company, the Government of Quebec did me the honour to select me as one of the directors to represent that Government in this Company. Beyond my interest as a member of the Government, I was much interested in the construction of that Railway, as being a proprietor in the City of Montreal, and also as a member in the Local Legislature for the County of Two Mountains, through which the contemplated Railway was to pass. I also took an active part with my friends in endeavouring to induce the citizens of Montreal to subscribe the million of dollars which was asked for that great enterprise. The question of a depot within or near the limits of the City of Montreal was considered one of vital importance for the town as well as for the province of Quebec. With a view to securing the success of the Railway, we addressed ourselves to Sir Hugh Allan in his capacity as a great financier and as an eminent man in our province, in the hope to secure a more easy and certain result. It was thus, when the Pacific Railway came up as an important political question in the Confederation, that I made efforts with my friends with a view to have this great Railway united with the Northern Colonization Railway, that it might pass through the Province of Quebec and have its depot within or near the City of Montreal; and it was then that I worked to favour the Pacific Railway, the object being to secure the success of the Northern Colonization Railway. My communications with Sir Hugh Allan were to this effect, and it was equally with the same objects in view that my name appeared as one of the provisional Directors in the Canada Pacific Railways Act of 1872; and concerning the appearance of my name in the Act of Incorporation, I may say that I only knew of its being there after the Bill had passed through the committee, and, as I said before, I was sufficiently favourable to the enterprise not to make any objection, and I made none. This

Bill, which is 35th Vict., chap. 73, was discussed, I think, in the month of May, 1872, and I was then in Ottawa, not only in the interests of the Montreal Northern Colonization Company, but for the purpose of meeting my colleagues in the Quebec Government, the Honourable Messrs. Chauveau, Beaubien, Archambault, and Irvine. We had at the time several meetings of the Executive of Quebec, at Hull. This, then, was the interest which I had in this question of the Pacific Railway, an interest altogether relative to the Northern Colonization Railway. In a conversation which I had with Sir Hugh Allan in April or May, 1872, that gentleman asked me to neglect nothing in the interests of the Northern Colonization Railway. He also spoke to me in the interests of the Conservative party, to which he attributed his commercial prosperity in a great measure, and did not hide from me the fact that that party had already made efforts to maintain his Steamship Company, and that he was convinced the party had made sacrifices in his favour, or words to that effect. I did not fail to tell him that I was doubly interested myself in the success of the Northern Colonization Railway, of which he was President, as well from being a member of the Government of Quebec, as from being member of the County of Two Mountains, and that I should make efforts to have this line traverse the county that I represented.

The aid which I gave to Sir Hugh Allan relative to the construction of the Pacific Railway at Ottawa or elsewhere was of a friendly character as a citizen who was interested in this great enterprise, and interested more directly, as I have already explained, in the construction of the Northern Colonization Railway. Sir Hugh Allan, nor anyone else, ever engaged my service as advocate, nor in my character as Attorney-General of the Province of Quebec (a charge which I have already denied) in the interests of the Pacific Railway.

I procured the aid which I have already spoken of to Sir Hugh Allan because I was in communication with Sir Hugh Allan as a Director of the Northern Colonization Railway. I may add that Sir Hugh Allan appeared to honour me with his confidence.

I endeavoured to induce my friends from the Province of Quebec who were members of the House of Commons not to lose sight of the interests of our Province, and to favour the Northern Colonization Railway, and if that influence was favourable to the Pacific Railway, with a view to its union with the Northern Colonization Railway, I induced them to give it, but I did not, properly speaking, give any aid to the Pacific Railway as a question apart from the Northern Colonization Railway. I desire also to say that if I had not been interested in the Northern Colonization Railway I would have had nothing to do with the Pacific, because I was not a member of the House of Commons. For the rest, I cannot see what influence I could have outside of that which I have just mentioned.

Having had communication of letter which has been published in the newspapers, over the name of G. W. McMullen, and in which the following appears: “\$6,000 to Attorney-General Ouimet for aid rendered at Ottawa,” as having been paid by Sir Hugh Allan, and being asked for any explanations on this point, I say in reply:—Having never been asked by the Company, nor by any person whatever in its interest, nor by any person for my services as a lawyer or otherwise, and it being impossible that I should be engaged by the Company in any quality as Attorney-General, my services as such being of no assistance either in the obtaining of the Charter or the contract, having acted only as a friend to the enterprise, as a citizen desiring it to come to a good end, I affirm that I never received the sum of \$6,000 in question, nor any sum whatever. I affirm, moreover, that I never had, either directly or indirectly, either from the Company or from any friends of the enterprise, any promise of money, or of anything else.

I never received any sum of money from Sir H. Allan, nor from anyone else, either directly or indirectly, as I have already said. I was largely interested myself in the Northern Colonization Railway Company and road. I have in its interest disbursed considerable sums, and undergone much fatigue, but, God be thanked, without recompense, or hope of recompense, hoping only that to the Province of Quebec may accrue the benefits which will flow from the construction of the Northern Colonization Railway.

I do not know if Sir Hugh Allan paid \$4,000 to the ‘Minerve,’ nor of the other sums mentioned by McMullen in his letter as having been paid by Sir Hugh Allan. I do not believe a word of them or of the other charges made by him.

I do not know whether the Government or any member of the Government had any knowledge of the negotiations spoken of before between Sir H. Allan and Mr. McMullen, nor do I know if Sir Hugh Allan had any negotiations with Mr. McMullen.

The second part of the charges contained in the Royal Commission is as follows: “That subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of

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“ Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Railway.”

I declare that I know nothing of it. I could say, however, that I had some conversation with Sir George Cartier in June, July, and August, 1872, in which he spoke to me of Sir Hugh Allan, the Allan Company, the Pacific Railway, and the Northern Colonization Railway. Sir George rebutted the idea of any connection of American capitalists with the Pacific Railway, and said that he never would consent to such a thing, and that he thought that the roads should be constructed without the aid of American capitalists. While expressing his appreciation of the merits of Sir Hugh Allan, Sir George Cartier did not appear to me to be on very friendly terms with him—that is to say, on terms of personal friendship. Nevertheless, he thought that Sir Hugh Allan, from his position, would be of great assistance to the Pacific Railway. He told me that he wished to see the amalgamation of the Macpherson and Allan Companies, and that he had been unjustly reproached with opposition to the Northern Colonization Railway in favour of the Grand Trunk Railway. I remarked to him that I regarded it as unfortunate that his Government had not settled this question of the contract of the Pacific Railway before the elections, because, I added, that this question would militate against him in the Province of Quebec, and particularly in Montreal East. I said to him also that Sir Hugh Allan had told me that he owed his commercial prosperity in a great measure to the Conservative party, and that I thought that Sir Hugh or his Company would aid him by influence or otherwise in his election. Sir George thereupon said that he could not entertain much hope that Sir Hugh Allan or his Company, meaning the Montreal Ocean Steamship Company, would come to his assistance, but as for himself (Sir George) he had several times put his portfolio in danger to maintain or obtain the subsidy for the Allan Company. Sir George told me this in that energetic language which he ordinarily used, and which is well known to those who were familiar with him. I had the honour to occupy myself in the election of Sir George at the last elections, and, notwithstanding that his friends urged him to let us make his election on the basis of the railway policy, and particularly the Pacific, he would not consent, saying that he would conduct his election on his own personal merits.

I have not any knowledge that Sir Hugh Allan advanced a sum of money to aid in the election of Ministers and their supporters. I went a few times to Sir George's Central Election Committee, but I know nothing of the distribution of the money. Of course I know from personal experience that it was necessary to spend money on that as on other elections.

No members of the Government ever told me that Sir H. Allan had advanced money for the elections, nor did Sir H. Allan ever tell me.

This conversation with Sir George Cartier, in reference to the road that I have mentioned, took place at several intervals, and I think that the last conversation I had with him was two or three days before the polling in the Eastern Division of Montreal, in which Sir George was a candidate.

Q.—Do you know the date on which the polling took place?

A.—Late in the month of August.

Being asked if I can give any explanation, or if I have any idea why my name is mentioned in McMullen's letter, as having received \$6,000, I declare that I have no idea how my name came to be mentioned. The charge is wholly false.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken and acknowledged on the }
thirtieth day of September, 1873. } (Signed) GEDÉON OUIMET.

(Signed) CHARLES DEWEY DAY, Chairman.
A. POLETTE,
JAMES ROBERT GOWAN, Commissioners.

LIST OF EXHIBITS.

CANADA.

- A. "Sealed Packet" addressed "Hon. Henry Starnes," and subscribed "Sir Hugh Allan," "G. W. McMullen."
- A 1. Letter from Sir Hugh Allan to Hon. J. J. C. Abbott, consenting to the opening of the sealed packet, dated Montreal, September 2, 1873.
- B. Letter from James Beatty, jun., to Sir F. Hincks, dated July 17, 1871.
- C. Reply of Sir Francis Hincks, dated July 20, 1871.
- D. Letter from James Beatty, jun., to Sir F. Hincks, dated July 24, 1871.
- E. Reply of Sir F. Hincks, dated July 26, 1871.
- F. Letter of Hon. D. L. Macpherson to 'Mail,' dated July 8, 1873, containing his reply to Sir Hugh Allan.
- G. Telegram from Sir J. A. Macdonald to Sir G. E. Cartier, dated July 26, 1872.
- H. Telegram from Sir G. E. Cartier to Sir J. A. Macdonald, dated July 31, 1872.
- I. Telegram from Sir Hugh Allan to Sir J. A. Macdonald, dated July 31, 1872.
- J. Copies of a portion of correspondence between Sir H. Allan and C. M. Smith, G. W. McMullen, and George W. Cass.
- K. Copy of "First Contract" between Sir Hugh Allan and his American associates, dated December 23, 1871.
- L. Copy of "Supplemental Contract" between same parties, dated March 28, 1872.
- M. Copy of acknowledgment, dated April 1, 1872, from Jay Cooke and Co., to G. W. McMullen, of his draft on various parties, to amount of \$50,000, setting out drafts numbered 1 and 2, &c.; also of receipt by G. W. McMullen, of fees for Legislation.
- N. Cheque by Sir Hugh Allan, on Merchants' Bank, for \$17,500, in favour of Hon. Henry Starnes, dated February 26, 1873, contained in "Envelope No. 2," portion of contents of A, or "Sealed Packet."
- O. Memo. between G. W. McMullen and Sir Hugh Allan, February 26, 1873, contained in small envelope addressed "Hon. Henry Starnes," portion of contents of A, or "Sealed Packet."
- P. Same as "K."
- Q. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, July 30, 1872.
- R. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, July 30, 1872.
- S. Receipt for House Fees *re* Incorporation of Canada Improvement Company, June 1, 1872.
- T. Receipt for House Fees *re* Incorporation of Canada Pacific Railway Company, June 1, 1872.
- U. Letter from G. W. McMullen to Hon. J. J. C. Abbott, dated February 25, 1873.

EXHIBITS.

A.

COPIES OF LETTERS AND TELEGRAMS ENCLOSED IN ENVELOPE No. 1.

No. 1 Telegram.

Montreal, December 8, 1871.

I have seen Sir Francis to-day. He says they have determined to advertise, and that it is of no use to visit Ottawa at present. I write you by mail.

(Signed) HUGH ALLAN.

C. M. Smith, Banker.

Letter No. 2.

Sir HUGH ALLAN to Mr. SMITH, dated London, 4th November, 1871, will be found at page 52.

Telegram No. 3.

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, December 7, 1871, printed at page 52.

CANADA.

Telegram No. 4.

Montreal, December 6, 1871.

I arrived here this morning and will be glad to see you as soon as convenient.

(Signed) HUGH ALLAN.

C. Mather Smith, Banker.

Letter No. 5.

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, December 8, 1871, printed at page 53.

No. 6 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, December 29, 1871, printed at page 53.

No. 7 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, January 1, 1872, printed at page 53.

No. 7. Letter A.

DEAR SIR,

Montreal, October 6, 1871.

I enclose copy of the communication sent to Sir John. Everything looks favourable at present at Ottawa.

I sail from Quebec to-morrow.

Yours truly,
(Signed) HUGH ALLAN.

C. M. Smith, Esq., of Chicago, Metropolitan Hotel, New York.

No. 7. Telegram (b), dated Father Point, October 8, 1871, printed on page 52.*Letter No. 8.*

Sir HUGH ALLAN to Messrs. SMITH and McMULLEN, dated Montreal, January 24, 1872, printed on page 53.

Letter No. 9.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, Feb. 5, 1872, printed at page 54.

No. 9 Telegram (a).

Montreal, Feb. 16, 1872.

Why is it that McMullen does not answer my letter? I will be in Detroit on Wednesday evening, can I meet you there?

(Signed) HUGH ALLAN.

Mather Smith.

Telegram No. 9 (b).

Montreal, Feb. 19, 1872.

I think it is the Douglas Hotel, at Detroit. Don't fail to come.

(Signed) HUGH ALLAN.

C. M. Smith.

Letter No. 10.

Sir HUGH ALLAN to Mr. SMITH, dated Toronto, Feb. 23, 1872, printed at page 54.

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No. 11 Letter.

Sir HUGH ALLAN to Mr. SMITH, dated Toronto, Feb. 24, 1872, printed at page 54.

No. 12 Letter.

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, Feb. 28, 1872, printed at page 54.

No 13. Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, 4th March, 1872, printed at page 54.

No. 13. Letter (a).

DEAR MR. McMULLEN,

Montreal, April 15, 1872.

The enclosed telegram from Mr. Cass reached me this morning. He wishes you to go to New York, but I wish to see you before you go. I leave here on Wednesday morning, and will see you on Thursday morning. You will be able to leave for New York on Thursday evening if you desire to do so.

Yours truly,
(Signed) HUGH ALLAN.

No. 13. Letter (b).

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, April 16, 1872, printed at page 55.

No. 14. Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, June 12, 1872, printed at page 55.

Letter No. 15.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, 16th July, 1872, printed at page 55.

Letter No. 16.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, 6th August, 1872, printed at page 58.

No. 17 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, 16th September, 1872, printed at page 58.

No. 18 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, 24th October, 1872, printed at page 63.

CANADA.

Letter No. 19.

DEAR MR. McMULLEN,

Montreal, 11th November, 1872.

You really know as much about the Pacific Railroad contract as I do, and that is not much.

I am assured that the Government have resolved to form a new Company, but under what conditions or who the parties will be I am ignorant. It is said that the whole matter will be arranged by the end of the month, and if so, we will soon know it.

I have not changed my views of what it ought to be.

G.W. McMullen, Esq., Pictou, Ont.

Yours truly,
(Signed) HUGH ALLAN.

NOTE.—For residue of “Sealed Packet” see “N” and “O.”

A 1.

Letter from Sir Hugh Allan to Hon. J. J. C. Abbott.

DEAR SIR,

Montreal, 2nd September, 1873.

Referring to the parcel of papers deposited with Mr. Starnes, and which will no doubt be produced before the Royal Commission, I authorize you on my behalf, to consent that it shall be opened by the Commissioners. But I object to any of the papers in it being used or published unless they are found to contain evidence which can be legally or judicially used in the case.

Hon. J. J. C. Abbott.

Yours truly,
(Signed) HUGH ALLAN.

B.

Letter from James Beatty, jun., to Sir F. Hincks, dated 17th July, 1871. (For this letter see deposition of Sir F. Hincks, page 100.)

C.

Reply of Sir F. Hincks, dated July 20, 1871. (For this letter see deposition of Sir F. Hincks, page 101.)

D.

Letter from James Beatty, jun., to Sir Francis Hincks, dated July 24, 1871. (For this letter see deposition of Sir F. Hincks, page 101.)

E.

Reply of Sir Francis Hincks, dated 26th July, 1871. (For this letter see deposition of Sir F. Hincks, page 102.)

F.

Letter of Hon. D. L. Macpherson to ‘Mail,’ dated 8th July, 1873, containing his reply to Sir Hugh Allan. (For this letter see deposition of Hon. D. L. Macpherson, page 111.)

G.

Telegram from Sir John A. Macdonald to Sir George E. Cartier.

(Private.)

July 26th, 1872.

Have seen Macpherson. He has no personal ambition, but cannot, in justice to Ontario, concede any preference to Quebec in the matter of the P., or in any other particular. He

says the question about the P. should be left to the Board. Under these circumstances I authorize you to assure Allan that the power of the Government will be exercised to secure him the position of P. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections; then the two gentlemen to meet the Privy Council at Ottawa, and settle the terms of a provisional agreement. This is the only practicable solution of the difficulty, and should be accepted at once by Allan. Answer.

(Signed) JOHN A. MACDONALD.

Sir George Cartier, Ottawa.

H.

Telegram from Sir G. E. Cartier to Sir John A. Macdonald.

Kingston, 31st July, 1872.

(By Telegraph from Montreal.)

Have seen Sir Hugh. He withdraws letter written you since you make objection to it, and relies for basis of arrangement on your telegram to me, of which I gave him copy.

Matters go on well here. Hope they are same with you. Don't think it is necessary for you to come down here Saturday. I want to be out of town on Sunday, but will remain here if you specially desire to see me. Answer.

(Signed) G. E. CARTIER.

To Sir John A. Macdonald.

I.

Telegram from Sir Hugh Allan to Sir J. A. Macdonald.

Kingston, July 31, 1872.

(By Telegraph from Montreal.)

I have seen Sir George Cartier to-day, you may return my letter or regard it as waste paper, it was not intended as anything official. Your telegram to Sir George is the basis of our agreement, which I have no doubt you will approve of. He purposes to go out of town on Saturday afternoon, and I am persuaded his health will be benefited thereby.

(Signed) HUGH ALLAN.

To Sir John A. Macdonald.

J.

Copies of a portion of Correspondence between Sir Hugh Allan and Charles M. Smith, George W. McMullen, and George W. Cass, relative to the construction of the Canadian Pacific Railway.

No. 1 Telegram.

Father Point, October 8th, 1871.

Send to me, care of Allan Bros., & Co., Liverpool, the names of the parties engaged with us in the Railroad enterprise.

(Signed) H ALLAN.

C. M. Smith (of Chicago),¹Metropolitan Hotel, N. Y.

No. 2 Letter.

Sir HUGH ALLAN to Mr. SMITH, 17, Gracechurch Street, London, November 4, 1871, printed at page 52.

No. 3. Telegram

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, December 7, 1871, printed at page 52.

CANADA.

No. 4 Telegraph.

Montreal, December 8, 1871.

I have seen Sir Francis to-day. He says they have determined to advertise, and that is of no use to visit Ottawa at present. I write you by mail.
C. M. Smith. (Signed) HUGH ALLAN.

No. 5 Letter.

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, December 8, 1871, printed at page 52.

No. 6 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, December 29, 1871, printed at page 53.

No. 7 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, January 1, 1872, printed at page 53.

No. 8 Letter.

Sir HUGH ALLAN to Messrs. SMITH and McMULLEN, dated Montreal, January 24, 1872, printed at page 53.

No. 9 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, February 5, 1871, printed at page 54.

No. 10 Letter.

DEAR SIR,

Toronto, February 24, 1872.

Since writing to you yesterday I have seen Mr. D. L. Macpherson, of Toronto, who is member of the Dominion Senate, and rather an important person to gain over to our side. He has been applied to by our opponents, and uses that as a lever by which to obtain better terms from us. He insists on getting \$250,000 of stock, and threatens opposition if he does not get it. You will remember he is one of those I proposed as a Director.

I will do the best I can, but I think that McMullen, you and myself, will have to give up some of our stock to conciliate these parties.

C. M. Smith, Esq., Chicago, Ills.

Yours truly,
(Signed) HUGH ALLAN.

No. 11 Letter.

Sir HUGH ALLAN to Mr. SMITH, dated Montreal, February 28, 1872, printed at page 54.

No. 12 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, June 12, 1872, printed at page 55.

Letter No. 13.

MY DEAR SIR,

Montreal, July 1, 1872.

The negotiations regarding the Canadian Pacific Railroad are now approaching a termination, and I have no reason to doubt they will be favourable to us. I have been given to understand by Mr. McMullen that he has regularly kept you informed of the

progress and position of affairs, hence I have not communicated with you on the subject as often as I otherwise would have done. No doubt he informed you that, thinking as I had taken up the project, there must be something very good in it—a very formidable opposition was organized in Toronto, which, for want of better, took as their cry, “No foreign influence”—“No Yankee dictation”—“No Northern Pacific to choke off our Canadian Pacific,” and others equally sensible.

So much effect, however, was produced both in and out of Parliament by these cries and the agitation consequent on them, that after consulting Mr. McMullen I was forced unwillingly to drop ostensibly from our organization every American name and to put in reliable people on this side in place of them. It will be apparent to you that at this point Mr. McMullen and I differed a little as to the means to be adopted to influence the Government itself. Two opposing Companies desiring to build the Railroad were formed, the one from Ontario having the greatest number of names, while that from Quebec had the greatest political power.

Mr. McMullen was desirous of securing the inferior members of the Government, and entered into engagements of which I did not approve, as I thought it only a waste of powder and shot. On a calm review of the situation I satisfied myself that the whole decision of the question must ultimately be in the hands of one man, and that man was Sir George E. Cartier, the leader and chief of the French party. This party has held the balance of power between the other factions. It has sustained and kept in office and existence the entire Government for the last five years. It consists of forty-five men who have followed Cartier, and voted in a solid phalanx for all his measures. The Government majority in Parliament being generally less than forty-five, it follows that the defection of one-half or two-thirds would at any time put the Government out of office. It was therefore evident that some means must be adopted to bring the influence of this compact body of members to bear in our favour, and as I soon made up my mind what was the best course to pursue, I did not lose a moment in following it up.

A Railroad from Montreal to Ottawa through the French country, north of the Ottawa river, has long been desired by the French inhabitants, but Cartier, who is the salaried solicitor to the Grand Trunk Railroad, to which this would be an opposition, has always interposed difficulties, and by his influence prevented it being built. The same reason made him desirous of giving the contract for the Canadian Pacific into the hands of parties connected with the Grand Trunk Railroad, and to this end he fanned the flame of opposition to us. But I saw in this *French* Railroad scheme, and in the near approach of the general election, when Cartier as well as others had to go to their constituents for re-election, a sure means of attaining my object, especially as I purposed to carry it through to the terminus of the Pacific. The plans I propose are in themselves the best for the interests of the Dominion, and in urging them on the public I am really doing a most patriotic action. But even in that view, means must be used to influence the public, and I employed several young French lawyers to write it up for their own newspapers. I subscribed a controlling influence in the stock, and proceeded to subsidize the newspapers themselves, both editors and proprietors. I went to the country through which the road would pass, and called on many of the inhabitants. I visited the priests and made friends of them, and I employed agents to go amongst the principal people and talk it up.

I then began to hold public meetings, and attended to them myself, making frequent speeches in French to them, showing them where their true interests lay. The scheme at once became popular, and I formed a committee to influence the members of the Legislature.

This succeeded so well that in a short time I had 27 out of the 45 on whom I could rely, and the electors of the ward in this city which Cartier himself represents, notified him that unless the contract for the Pacific Railroad was given in the interests of Lower Canada he need not present himself for re-election. He did not believe this, but when he came here and met his constituents he found to his surprise that their determination was unchangeable.

He then agreed to give the contract as required in this way, that there would be 17 Provisional Directors, of which Ontario would have 8 and we 9—thereby giving us the control. We at once proceeded to organize the Company (our Section), and they named me the President, D. McInnes of Hamilton, Vice-President; E. L. de Bellefeuille, Secretary; and the Honourable J. J. C. Abbott, Legal Adviser.

We have advertised that the books for subscription of stock will be opened 15th July at the different places named in the Act, and we have notified the Government that we are willing to take the contract for building the Canadian Pacific Railroad on the terms and conditions prescribed in the Act. The next thing to be done is to subscribe the stock,

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which must be done by British subjects only, and 10 per cent. of the subscriptions must be paid in cash at the time of subscribing. We have the right of subscribing nine-seventeenths (9-17) at present, and of taking up whatever the other party may not subscribe at the end of one month. I have arranged in the meantime that if you will send a certificate of the equivalent of \$1,000,000 gold having been placed by Jay Cooke and Co. to the credit of the Merchants' Bank of Canada, Montreal, in their own Bank in New York, it will accept the cheques for the subscription, but no money will pass till the contract is entered into, and then 10 per cent. on the amount of stock awarded us will have to be paid in to the Receiver-General. Be pleased, therefore, to send me, as early as possible, powers of attorney to subscribe the stock and Jay Cooke and Co.'s certificate above mentioned. I have had several letters from England offering to take the whole thing up if we desire to part with it, but it looks to me to be too good to part with readily. If you desire any further information I will go to New York next week, if you desire it, and communicate with you personally. Please telegraph if you wish to see me, and the day. As you may suppose, the matter has not reached this point without great expense, a large portion of it only payable when the contract is obtained, but I think it will reach not much short of \$300,000.

Yours faithfully,
(Signed) HUGH ALLAN.

I presume you desire that unless we can obtain and secure a majority of the stock you could not take any, but on this point I wish to be instructed.

H. A.

G. W. Cass, Esq., Liberty Street, New York.

No 14 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, July 16, 1872, printed at page 55.

No 15 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, August 6, 1872, printed at page 58.

No 16 Letter.

From Sir HUGH ALLAN, dated Montreal, 7th August, 1872, printed on page 57.

No. 17 Letter.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, September 16, 1872, printed at page 58.

Letter No. 18.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, Oct. 24, 1872, printed at page 63.

Letter No. 19.

MY DEAR SIR HUGH,

Pictou, Nov. 6, 1872.

Since the receipt of your letter, the contents of which surprised me considerably, following so soon after our conversation at Montreal, and in view of the fact that the Government seem so much at sixes and sevens about the whole matter, I have of course communicated the substance of it to my friends. They are anxious to know whether such a decision will be arrived at, after the various pledges made, as will debar our Association from participation in the construction of the Railway. Whatever skirmishing may be done by way of talk, they can hardly have an idea that you will prove recreant

to your business associates in an arrangement mainly of their own suggestion (I mean the Government who first requested you to write to Chicago). However much they may be beset with political problems, I do not believe they could get, in any other way, so difficult a one on their hands as they could by taking such a course. Mr. Ogden and party are now back from Puget Sound, and I shall take an early opportunity of meeting them.

I should like any possible positive information, and in case the affair goes so that our Association either directly or through you, cannot handle it, it would be well to know it. But as the Government could not expect you to go into it and leave the others out entirely, I should think you could have it arranged as we have several times talked, *i.e.* the stock held by you subject to private arrangement with the others. And whatever street rumour may say of public opinion, I should judge that this would do all that is needed.

Please let me hear from you.

Sir Hugh Allan, Montreal.

Truly yours,
(Signed) G. W. McMULLEN.

Letter No. 20.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, November 11, 1872, printed at page 250.

K.

Copy of 1st Contract between Sir Hugh Allan and his American Associates.

New York, Dec. 23, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit;

First.—To form the Canadian Pacific Railway Company under a Charter substantially as agreed upon, and subject to such modifications or changes as shall be hereafter mutually assented to, which Charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith and Geo. W. McMullen from the Parliament of Canada at its approaching Session.

Second.—Under and by authority of said Charter the undersigned propose to construct the said Railway.

For these purposes, we, the undersigned, each for himself and not for the others agree to subscribe in all the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railroad Company as follows:—

The various names subscribed to this contract at the end of it except Allan, C. M. Smith and McMullen, and such others as they may associate with them shall subscribe five millions five hundred thousand dollars (\$5,500,000) and Sir Hugh Allan, Chas. M. Smith and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars (\$4,500,000) and it is further agreed that the above-named parties who shall subscribe five millions five hundred thousand dollars, shall pay in the sum of ten per centum on the whole ten millions of dollars of stock to be subscribed as aforesaid, into the Banking House of Jay Cooke and Co., in New York city, to the credit of the Canada Pacific Railway Company upon its organization to be used for the construction of the said railway and for such other purposes as the Directors of said Company hereafter to be elected shall determine, and it is also agreed that on the organization of said Railway Co., such a By-law shall be adopted as will prohibit any further assessments on the stock beyond the ten per cent. paid as before specified unless ordered by a vote of at least nine-tenths ($\frac{9}{10}$) of all the outstanding stock of the Company at some regular or special shareholders' meeting.

It is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Co. which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said Railway, and for the purchase and sale of lands, and for other needed objects, and that their interests in the said Land and Improvement Co. shall be in the same proportions as their usual subscriptions to the railway stock, aforesaid, bear to the whole ten millions of dollars (\$10,000,000) subscribed, and it is agreed that the contracts for building any or all of the various Sections of the Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Co. at fair prices, and to the Canada Land and Improvement Company shall operate and be allowed the use of the said railway, during the period

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of its construction, without charge therefor, except the expense of keeping the same in good order and repair at their own cost, during such use and control of said railway.

It is also agreed that the first working capital of the said Canada Land and Improvement Company, shall be the aforesaid one million of dollars, to be paid in on the Railway Stock before-named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time from said Railway Company for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work. And it is expressly agreed that the first profits arising from the contracts above referred to, shall be used to reimburse (parties subscribing for \$5,500,000) and their associates for the one million of dollars paid by them as a ten per cent. instalment on the Railway Stock aforesaid, with interest thereon at the rate of seven per cent. per annum.

And it is furthermore agreed that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company, held by each of the undersigned, shall be placed in the hands of a trustee (who is to be selected by the undersigned), to be held by him during the time occupied in building the said railway, or until two-thirds of the owners or representatives of said stock, so held by said Trustees, shall elect to terminate said trust, and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed that after the one million of dollars heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company and the Canada Land and Improvement Company, shall be divided among the stock-holders of each Company in proportion to the shares they severally hold.

It is hereby understood that the names "Canada Pacific Railway Co." and "Canada Land and Improvement Co." are used for the sake of convenience, and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Co., then this agreement shall be understood to relate to such railway as shall be authorized to be constructed in accordance with the provisions hereof across British Territory to the Pacific Ocean, Gulf of Georgia, or Straits of Fuca, and to the Improvement Company or Association proposed to be organized to construct the same, which may be organized under and in accordance with the laws of any of the States comprising the United States, and its terms shall govern the parties hereto in relation to the same, in the same manner as if the names above-mentioned had been used in the said proposed Charters for said proposed organizations.

It is understood that no moneys in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the road begins unless by consent of the owners of or subscribers to at least two-thirds of the ten millions of dollars of stock to be subscribed in accordance with the terms of this contract.

The essential conditions of the Charter referred to are a subsidy of fifteen thousand dollars (\$15,000) per mile for each and every mile of Road constructed, payable on the completion of sections of twenty miles, and a grant of lands equal to twenty thousand acres per mile from all the Road except for Fort Garry East, on the North Shore of Lake Superior to a junction with the section proposed to be built from Lake Nipissing to the Sault Ste. Marie on which the grant of lands is to be equal to twenty-five thousand acres per mile. The only forfeiture in case of failure to complete the entire road within the time specified is to be the right to finish the uncompleted portions, the payments being absolute on the completion of each section of twenty miles.

The amounts proposed to be subscribed by the various parties to this contract are as follows:—J. Cooke and Co., \$1,000,000; D. McLaren, \$500,000; Wm. B. Ogden, \$637,500; J. Gregory Smith, \$500,000; G. W. Cass, \$637,500; H. R. Payson, \$175,000; Thos. A. Scott, \$500,000; F. E. Canda, \$175,000; C. J. Canda, \$150,000; R. D. Rice, W. G. Fargo, Frederick Billings, Wm. Windowa, B. P. Cheney, A. H. Barney and Thomas H. Cawfield, or so many of them as become parties to this agreement, in all \$1,225,000.

Sir Hugh Allan, Charles M. Smith, and George W. McMullen for themselves and others, \$4,500,000.

(Signed) J. Cooke and Co., one million of dollars.

Wm. B. Ogden, six hundred and thirty-seven thousand five hundred dollars.

G. W. Cass, six hundred and thirty-seven thousand five hundred dollars.

J. Gregory Smith, five hundred thousand dollars.

D. McLaren, five hundred thousand dollars.

Thos. A. Scott, five hundred thousand dollars.
 H. R. Payson, one hundred and seventy-five thousand dollars.
 F. E. Canda, one hundred and seventy-five thousand dollars.
 C. J. Canda, one hundred and fifty thousand dollars.
 R. D. Rice, two hundred and thirty thousand dollars.
 Frederick Billings, two hundred and thirty thousand dollars.
 A. H. Barney, two hundred and thirty thousand dollars.
 Wm. G. Fargo, for self and B. P. Cheney, two hundred and thirty thousand dollars.
 Thomas H. Cawfield, Wm. Windowa, one hundred and eighty thousand dollars.
 Samuel Wilkinson, seventy-five thousand dollars.
 Walter Hinchman, fifty thousand dollars.

\$5,500,000.

Hugh Allan, one million four hundred and fifty thousand dollars.
 Charles Mather Smith, one million five hundred and twenty-five thousand dollars.
 George W. McMullen, one million five hundred and twenty-five thousand dollars.

\$4,500,000

L.

*Copy of Supplemental Contract between Sir Hugh Allan and his American Associates,
 dated March 28th, 1872.*

Whereas it appears that the Canadian Government prefer to give a gross sum of money and a gross amount of land for the construction of the Canada Pacific Railway and the branch thereof from Fort Garry to Pembina or St. Vincent or the international boundary line in that vicinity, now therefore the undersigned agree to so alter their contract or agreement of December 23rd, 1871, as to agree to take thirty-five millions of dollars (\$35,000,000) in money (gold), and fifty millions of acres of land in amount, to be selected as proposed, and the money to be paid pro rata per mile as constructed, each mile to be counted as the one twenty-five hundredth ($\frac{1}{2500}$) part of the whole line to be built, and the land at the rate of twenty thousand acres for every mile of railway built, and in case in the judgment of our associate, Sir Hugh Allan, it should be deemed expedient by him to submit to the acceptance of thirty-three millions of dollars in gold (\$33,000,000) and fifty millions (50,000,000) acres of land as compensation for the construction of said road, he is hereby authorized to do so; and in case a further reduction in price is found to be indispensable in order to secure the contract for the construction of the said Canada Pacific Railway, then J. Gregory Smith, Sir Hugh Allan, G. W. McMullen, Geo. W. Cass, and Wm. B. Ogden are hereby constituted a committee with authority in them or a majority of them to submit to such further reduction in the money price to be paid in their discretion or any sum not below thirty millions of dollars (\$30,000,000) as they shall think necessary or advisable, and the said committee or a majority of them shall have power to make such assessments from time to time, for the general purposes of the Company, not exceeding in all one and one half per cent. of the amounts agreed to be subscribed by us to the stock of the Canada Pacific Railway Company as they shall deem expedient. The said assessments are to be considered as part of the one million dollars agreed to be paid on the stock contracted to be subscribed by us in the agreement of December 23rd, 1871, and to be subject to the same conditions of payment and refunding with interest as are therein set forth.

And we hereby authorize the said Committee to take such other action for us as they may deem necessary in the premises consistent with the general terms of the contract of December 23, 1871, and as modified hereby.

New York, March 28, 1872.

(Signed) Jay Cooke & Co., J. Gregory Smith, B. P. Cheney for self and W. J. Fargo, R. D. Rice, Thos. H. Cawfield, A. H. Barney, G. W. Cass, Daniel McLaren, by J. W. Ellis, Frederick Billings, Wm. Windowa, H. R. Payson, F. E. Canda, C. J. Canda, Samuel Wilkinson, W. B. Ogden, Walter Hinchman, Hugh Allan, Charles Mather Smith, George W. McMullen.

CANADA.

M.

Copy of acknowledgment from Jay Cooke & Co., to G. W. McMullen of his drafts on various parties, &c.

(COPY.)

G. W. McMullen, Esq., Secretary, Canada Pacific R. R. Ex. Committee.

DEAR SIR,

New York, April 1, 1872.

We have to-day received of you your drafts on various parties to the amount of \$50,000, which sum we credit to the Executive Committee of the Canada Pacific R. R. Association, subject to the draft of Sir Hugh Allan.

Respectfully,
(Signed) JAY COOKE & CO.

No. 1.

Jay Cooke & Co., Bankers,
Corner Nassau and Wall Streets:
Pay to myself or order,
Fifteen Thousand Dollars.

New York, May 2, 1872.

\$15,000.

(Signed) HUGH ALLAN.

No. 2.

Jay Cooke & Co., Bankers,
Corner Nassau and Wall Streets:
Pay to myself or order,
Twenty-five Thousand Dollars.

New York, May 3, 1872.

\$25,000.

(Signed) HUGH ALLAN.

I have also receipts for Fees on the Bills of the Canada Pacific R. R. Company, and the Canada Improvement Company, paid with other things to the Hon. J. J. C. Abbott, and by him settled with Mr. Todd, whose receipt I hold. Also my cheque showing the payment, returned me by Bank of Montreal, in due course.

G. W. McMULLEN.

N.

(Enclosed in Envelope Number Two, being portion of contents of "A" or "sealed packet.")

\$17,500.00.

Merchants' Bank of Canada, February 26th, 1873.

Pay Hon. Henry Starnes, or Order, seventeen thousand five hundred dollars cy.

(Signed) HUGH ALLAN.

To the Cashier.

Endorsement on back of above Cheque.

Mr. Starnes will please endorse and collect this Cheque, and pay proceeds to Mr. McMullen if he becomes entitled to it by the instructions.

(Sd.) H. A.

O.

(Enclosed in small Envelope addressed "Hon. Henry Starnes," being portions of contents of "A." or "sealed packet.")

Montreal, February 26, 1873.

The Honourable Henry Starnes is requested to deliver over envelope No. *One* to Sir Hugh Allan; and envelope number *Two* to Mr. George W. McMullen, unless Sir Hugh Allan claims that the contents of the letters contained in envelope Number *One* have been divulged, or copies of them have been given to other than one person mentioned to Mr. Abbott (which Mr. McMullen declares has not been and will not be done), in which case Mr. Starnes will open envelope Number *One* and having heard the parties will determine whether the contents of such letters have been divulged, copies granted other than above, or not. If he decides that they have not, he shall hand over envelope Number *Two* to Mr. McMullen and the letters to Sir Hugh Allan. If he decides other-

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—

wise he is to hand over envelope Number *Two* to Sir Hugh Allan, and the letters also, unless Mr. McMullen pays him Twenty thousand dollars in gold, in which case he will hand the letters to Mr. McMullen and envelope Number *Two* to Sir Hugh Allan with the twenty thousand dollars. And Mr. McMullen declares that the said envelope Number *One* contains all of Sir Hugh Allan's letters in his possession or under his control.

(Signed) G. W. McMULLEN.
HUGH ALLAN.

(*Endorsement on envelope covering above*).

If Mr. Starnes is not requested to decide any disputes in regard to the ownership of papers herewith, he is to burn this envelope with its contents unopened, immediately on settlement.

Hon. Henry Starnes.

Endorsement on large inner envelope, contained in "A," or "sealed packet," and covering envelopes Nos. 1 and 2, and small envelope addressed "Hon. Henry Starnes."

Montreal, February 26, 1873.

Within ten days after the end of the coming Session of Parliament, the Hon. Henry Starnes is requested to deliver envelope No. *One* to Sir Hugh Allan, and envelope No. *Two* to Mr. G. W. McMullen, unless objections be made by Sir Hugh Allan to his doing so; in which case he will open the envelope addressed to himself, and act as instructed therein.

(Signed) HUGH ALLAN.
G. W. McMULLEN.

Endorsement on "A," or "sealed packet."

May 17, 1873.

Papers produced by Mr. Starnes before Select Committee and returned to him subject to be produced to this Committee on their order.

(Signed) J. HILLYARD CAMERON,
Chairman.
J. G. BLANCHET.
A. A. DORION.

P.

Copy of first Contract between Sir Hugh Allan and his American Associates, dated New York, December 23, 1871, printed at page 249.

Q.

Certified Copy of Letter from Sir Geo. E. Cartier to Sir Hugh Allan.

(*Private and Confidential.*)

DEAR SIR HUGH,

Montreal, July 30, 1872.

The friends of the Government will expect to be assisted with funds in the pending elections; and any amount which you or your Company shall advance for that purpose, shall be recouped to you.

A memorandum of immediate requirements is below.

Sir Hugh Allan.

Very truly yours,
(Signed) GEO. E. CARTIER.

NOW WANTED.

" Sir John A. Macdonald	-	-	-	-	-	-	\$25,000
" Hon. Mr. Langevin	-	-	-	-	-	-	15,000
" Sir G. E. C.	-	-	-	-	-	-	20,000
" Sir J. A. (add'l)	-	-	-	-	-	-	10,000
" Hon. Mr. Langevin (add'l)	-	-	-	-	-	-	10,000
" Sir G. E. C.	-	-	-	-	-	-	30,000

CANADA. The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan before the Royal Commission, *re* Canada Pacific Railway, which original was at his desire allowed to be retained by him.

(Signed) CHARLES DEWEY DAY,
September 19, 1873. Chairman.

R.

Certified Copy of Letter from Sir G. E. Cartier to Sir Hugh Allan.

DEAR SIR HUGH, Montreal, July 30th, 1872.

I enclose you copies of telegrams received from Sir John Macdonald, and with reference to their contents I would say that in my opinion the Governor in Council will approve of the amalgamation of your Company with the Interoceanic Company under the name of the Canadian Pacific Railway Company, the Provincial Board of the Amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec by the Canada Pacific Railway Company, four from the Province of Ontario by the Interoceanic Railway Company, and the remainder by the Government: the Amalgamated Company to have the powers specified in the tenth section of the Act incorporating the Canada Pacific Company, and the agreement of amalgamation to be executed between the Companies within two months from this date. The Canada Pacific Company might take the initiative in procuring the amalgamation, and if the Interoceanic Company should not execute an agreement of amalgamation upon such terms and within such limited time, I think the contemplated arrangements should be made with the Canada Pacific Company under its Charter.

Upon the subscription and payment on account of stock being made as required by the Act of last Session respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any Company will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the Company to be formed by amalgamation or to the Canada Pacific Company as the case may be.

I would add that as I approve of the measures to which I have referred in this letter, I shall use my best endeavours to have them carried into effect.

Very truly yours,
(Signed) GEO. E. CARTIER.

The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan before the Royal Commission *re* Canada Pacific Railway, which original was at his desire allowed to be retained by him.

(Signed) CHARLES DEWEY DAY,
September 19, 1873. Chairman.

S.

Receipt for House Fees on Canada Improvement Company Bill.

PRIVATE BILL OFFICE.

House of Commons, Ottawa, June 1, 1873.

Fee and Charges on the Bill to Incorporate the Canada Improvement Company.

Fee payable under the 58th Rule	-	-	-	-	-	\$100.00
Charge for printing Bill	{	500 English	-	-	-	2.25
		200 French	-	-	-	1.35
Charge for printing Act	{	500 English	-	-	-	1.34
		250 French	-	-	-	0.97
Translation	-	-	-	-	-	3.00
						\$108.91

Received payment from Hon. J. J. C. Abbott, M.P.
(Signed) ALFRED TODD,
Chief Clerk Private Bill Office.

CANADIAN PACIFIC RAILWAY.

261

CANADA.

T.

Receipt for House Fees on Canada Pacific Railway Company Bill.

PRIVATE BILL OFFICE.

House of Commons, Ottawa, June 1, 1872.

Fee and Charges on the Bill to Incorporate the Canada Pacific Railway Company.

Fee payable under the 58th Rule	-	-	-	-	-	\$100·00
Charge for printing Bill	{	500 English	-	-	-	9·66
		200 French	-	-	-	4·75
Charge for printing Act	{	500 English	-	-	-	5·36
		250 French	-	-	-	3·38
Translation	-	-	-	-	-	14·00
						<hr/> \$137·15 <hr/>

Received payment from Hon. J. J. C. Abbott, M.P.

(Signed)

ALFRED TODD,

Chief Clerk Private Bill Office.

U.

Letter from G. W. McMullen to Hon. J. J. C. Abbott.

DEAR SIR,

Montreal, February 25, 1873.

If before the expiry of ten days after the termination of the coming Session of Parliament I do not hand you Messrs. Smith and Hulburt's confirmation of the arrangement I have this day made with Sir Hugh Allan, I authorize the Honourable Henry Starnes to retain the envelope No. 2, delivered to him, containing Sir Hugh Allan's cheque, until I do produce such letter.

Hon. J. J. C. Abbott.

I have, &c.,

(Signed)

GEO. W. McMULLEN.

APPENDIX.

To the Hon. LUCIUS SETH HUNTINGTON, of the City of Montreal, in the Province of Quebec.

SIR,

Ottawa, August 21, 1873.

I have the honour to enclose herewith a printed copy of the Royal Commission appointing Commissioners to inquire into and report upon the several matters stated in the Resolution moved by you in the House of Commons on the 2nd day of April last, relating to the Canada Pacific Railway, and to inform you that the Commissioners therein named will meet in the City of Ottawa, in the Parliament House, on Thursday, the 4th day of September next, at noon, for the purpose of making inquiry and taking evidence concerning the allegations contained in the Resolution and fully set forth in the Commission. You are requested to furnish to the Commission, with all convenient diligence, a list of the witnesses whom you may wish to examine, in order that they may be duly summoned to appear on the day and at the place above specified, and you are requested then and there to proceed with your evidence in the premises.

I have, &c.,

(Signed)

CHARLES D. DAY,

Chairman.

SIR,

Ottawa, August 21, 1873.

I have the honour to inform you, that the Commissioners appointed to inquire into and report upon the several matters contained and stated in a certain Resolution moved by the Hon. Mr. Huntington in the House of Commons on the 2nd April, 1873, relating to the Canadian Pacific Railway, will meet in the Parliament House, in the City of Ottawa, on Thursday, the 4th day of September next, at noon, for the purpose of making inquiry and taking evidence, under the authority of the Commission, concerning the allegations and matters contained in that Resolution, and that notice has been given to the Hon. Mr. Huntington to appear and proceed with his evidence then and there.

I have, &c.,

(Signed)

CHARLES D. DAY,

Chairman.

CANADA. SIR,

Montreal, August 26, 1873.

I have the honour to acknowledge the receipt of your letter of the 21st of August instant, enclosing a copy of the Royal Commission, appointing Commissioners to inquire into and report upon the several matters stated in the Resolution moved by me, in the House of Commons, on the 2nd day of April last, and requesting me to furnish to the Commission a list of the witnesses I might wish to examine, in order that they may be duly summoned to appear, and to proceed with my evidence.

I have to call your attention to the fact, apparent on the face of the Commission, that it was as a member of the House of Commons, and from my place in Parliament, that I preferred these charges against Ministers of the Crown, and members of that House, which, on the 8th day of April last, entertained the charges, determined to investigate them itself, and appointed a Select Committee to inquire into it and report upon them; and to the further fact, apparent on the Journals of the House, that to the said Committee I furnished a list of some of the principal witnesses, whose evidence I believe could establish my charges, and I have always been ready to proceed to the proof thereof before the tribunal constituted by the House for the investigation.

The determination of the Commons to investigate these charges remains unaltered, and I deem it inconsistent with my duty as a member of Parliament, and a breach of the undoubted privileges of the House, to recognize any inferior or exceptional tribunal, created to inquire into charges still pending before the Commons, and so essentially affecting the privileges, dignity, and independence of Parliament.

I believe that it is a breach of those privileges, that a Royal Commission issued without the special sanction of the House, should take any cognizance of, or should assume to call on me to justify, words which I have spoken on the floor of the Commons, and for which I am responsible to them, and to them alone.

I feel that I should do no act which may be construed into an acquiescence in the attempt to remove from the Commons the conduct and control of the inquiry.

I believe that the creation of the Commission involves a breach of that fundamental principle of the constitution, which preserves to the Commons the right and duty of initiating and controlling inquiries into high political offences; that it involves also a breach of that fundamental principle of justice which prevents the accused from creating the tribunal and controlling the procedure for their trial; and that it is a Commission without precedent, unknown to the Common Law, unsanctioned by the Statute Law, providing by an exercise of the prerogative for an inquiry out of the ordinary course of justice into misdemeanour cognizable by the Courts, and consequently illegal and void.

Entertaining these views, you will not expect me to act otherwise than in conformity with them, and you will be satisfied that by my non-appearance before the Commission I intend no disrespect to the Commissioners, but am moved by the same sense of public duty which will constrain me at the earliest practicable moment to renew the efforts which I have been making since April last to bring to trial before the Commons of Canada the men whom I have impeached as public criminals.

I have, &c.,

To the Hon. Charles D. Day, Chairman,
Ottawa.

(Signed) L. S. HUNTINGTON.

No. 11.

The EARL OF KIMBERLEY to The EARL OF DUFFERIN.

MY LORD,

Downing Street, November 13, 1873.

I REFERRED to the Law Officers of the Crown your Despatch of October 4,* requesting instructions for your guidance in the event of an Act being passed by the Dominion Parliament, purporting to authorize the issue of a Commission of Inquiry into the Pacific Railway question, and to give to such Commission the power of examining witnesses on oath, and I have now to inform you that in their opinion that course would be beyond the powers of the Parliament of the Dominion.

I have, &c.,

The Earl of Dufferin,
&c. &c. &c.

(Signed) KIMBERLEY.

No. 12.

The EARL OF KIMBERLEY to The EARL OF DUFFERIN.

MY LORD,

Downing Street, November 22, 1873.

I HAVE to acknowledge your Lordship's Despatch of the 3rd instant,* forwarding copies of the evidence taken before the Royal Commission appointed to inquire into the issue of the Canadian Pacific Railway Charter.

I am glad to learn that your Lordship is of opinion that the Commission discharged its duty effectively.

The Earl of Dufferin,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

No. 13.

The EARL OF DUFFERIN to The EARL OF KIMBERLEY.

MY LORD,

Canada, November 7, 1873.

I HAVE the honour to inform your Lordship that on Thursday, the 23rd of October, I opened Parliament with a speech, of which I have already forwarded a copy in a previous Despatch.

2. On returning to their chamber the House of Commons, at the instance of Sir John Macdonald, adjourned until the following Monday, in order that members might have time to acquaint themselves with the contents of the papers which had just been laid upon the table of the House.

3. These papers consisted of the Report of the Royal Commission, and of the body of evidence it had collected, and of my Despatches to your Lordship in reference to the Prorogation of Parliament on the 13th of August, and to the issue of the Commission, together with your Lordship's reply thereto, of October the 9th,† in which you are good enough to convey to me, on the part of Her Majesty's Government, your approval of my conduct in reference to these two transactions.

4. I thought it desirable that these three latter documents should be communicated to the House of Commons for two reasons. In the first place, they contained a statement of certain facts which illustrated and supplemented the evidence taken before the Commission, and which no one but myself was in a position to furnish; and in the next, they clearly showed that whether exception could or could not be justly taken to the general course of procedure adopted by my Ministers, no foundation existed for the impression which at one time prevailed, that the Queen's Prerogative had been exercised unconstitutionally, or with partiality, or in the intention of interfering with the privileges of Parliament. It was the more desirable that this should be made patent, as it was currently reported—of course I cannot say with what truth—that instead of raising the main and essential question as to the culpability of the transactions between my Ministers and Sir Hugh Allan, some of the opponents of the Government were inclining to take a vote on a side-issue in reference to the Prorogation of Parliament on the 13th of August, and to the alleged breach of privilege it involved, with a view of binding to their party those Ministerialists who had signed the Memorial addressed to me on that occasion.

5. As the position thus proposed to be occupied might incidentally commit the House of Commons to an opinion on a Constitutional question which could not be sustained, and as it seemed of the last importance that the intention of Parliament should not be diverted from what was the real issue to a subordinate controversy, I thought it well to discourage the adoption of this latter alternative—should it be in contemplation—by bringing to the knowledge of the House of Commons your Lordship's Despatch and my own communications to which it was a reply.

6. The presentation of these documents to Parliament has been complained of in some quarters as evincing a desire upon my part to afford undue assistance to my Ministers. Such an impression could only have been generated in the heat and confusion of a party conflict. The major part of my Despatches consisted of a simple narrative of facts. If

* No. 10.

† No. 6.

CANADA.

these facts were true—and their accuracy cannot be impugned—whether they told for or against my Ministers, no just man could have wished them to be withheld. As for any incidental remarks or inferences interspersed through the narration, such remarks and inferences referred to the aspect of affairs as they existed on the 13th of August, and not to the totally distinct and altered issues upon which Parliament was proceeding to adjudicate.

7. On Monday, the 27th of October, the House of Commons met at three o'clock in the afternoon, and proceeded at once to the consideration of the Speech from the Throne, the debate commencing with an able and moderate speech from Mr. Mackenzie, in which he moved the subjoined amendment as an addition to the second paragraph:—

“And we have to acquaint His Excellency that by their course in reference to the investigation of the charges preferred by Mr. Huntington, in his place in this House, and under the facts disclosed in the evidence laid before us, His Excellency's Advisers have merited the severe censure of this House.”

8. This amendment raises a perfectly fair and direct issue, it goes to the root of the matter, it founds itself upon the evidence taken by the Commission, and neither directly nor indirectly does it impugn the act of Prorogation. Indeed, on perusing the Report of the discussion which ensued, your Lordship will perceive that the objections which at one time were so vehemently insisted upon in regard to this proceeding have been, so far as my action was concerned, almost entirely pretermitted, that Mr. Blake stated he would not even refer to them, and that most of the speakers, with an instinctive appreciation of what the exigencies of the case demanded, confined themselves to the consideration of what are the main substantive charges against my Ministers.

9. On the second night of the debate Mr. James Macdonald, member for Pictou, an eminent supporter of the Government, moved a second amendment in the following terms:—

“And we desire to assure His Excellency that after consideration of the statements made in the evidence before us, and while we regret the outlay of money by all political parties at Parliamentary elections, and desire the most stringent measures to put an end to the practice, we at the same time beg leave to express our continued confidence in His Excellency's Advisers, and in their administration of public affairs.”

10. The discussion on the two foregoing amendments continued, with the exception of an intervening Saturday and Sunday, for seven successive days, that is to say, from Monday, the 27th of October, to Wednesday, the 5th of November.

11. On the morning of that day Sir John Macdonald asked for an interview, at which he informed me that although he and his friends had had reason to expect a considerable majority when Parliament met, some unexpected defections had since occurred in the ranks of his supporters, and that he had just received an intimation from one or two more, which so compromised his prospects as to render it his duty to tender me his resignation as well as that of his colleagues. He then repaired to the House of Commons, and brought a debate of almost unprecedented length and interest to a close by the announcement of his surrender of the seals of office, and of my having called upon Mr. Mackenzie to form a Government in succession to himself.

12. The discussion not having been brought to the test of a vote, it is impossible to state with certainty what the result of a division might have been. For some time before the meeting of Parliament, and at the outset of the Debate, the Ministerialist side were very confident of a majority of from 16 to 25. I confess I always considered these calculations over sanguine. On the other hand,—even at the last moment, when their chance of success seemed most assured,—the Opposition, I have reason to believe, did not calculate on a vote of more than 8 or 10 in their favour, so that under any circumstances the division would have been a narrow one.

13. It may not, however, be inopportune to remark, that the fact of every single member of the House but two, having been present in Ottawa and prepared to vote on this occasion, exemplifies in the most striking way how mistaken I should have been on the 13th of August, had I taken the ninety-two signatories to remonstrance presented to me, as representing a “majority” of Parliament. If the House had gone to a division on the day on which Sir John Macdonald resigned, it would have become apparent that,—leaving out of account the new members for Prince Edward Island,—ninety-two votes would have represented a “minority” of fourteen on the total number given.

14. Many of the speeches delivered during the course of this remarkable discussion were characterized by great ability and power, several of them having been of three and four hours' duration. Sir John Macdonald did not address the House until Monday evening the sixth day of the debate, when he spoke continuously for five hours. Mr. Blake followed him with a speech of equal ability and importance, and was succeeded by other members of weight and eminence. It is not necessary I should indicate any of these eloquent efforts for

your Lordship's special notice, as from the report of the proceedings you will yourself be able to judge of the various kind of merit displayed by each.

15. Unfortunately the shorthand writer's notes have to be telegraphed to the principal journals for publication, and as I have already stated to your Lordship in a previous Despatch, errors and lacunæ unavoidably occur during so complicated a process. Notwithstanding the imperfections arising from this source, your Lordship will not fail to perceive that when called upon to deal with a subject of gravity and moment, there are probably few assemblies in the world to which in eloquence, dignity, and ability for Debate, the Parliament of Canada need yield the palm.

16. I cannot close this Despatch, which describes the concluding scene of the painful drama of which I have been a spectator, without calling your Lordship's attention to the fact that the result arrived at,—a result not only hailed with satisfaction by the victors,—but what is of as great significance, acquiesced in by the vanquished, has been reached by a patient adherence to those constitutional principles which your Lordship has recommended to my observance.

17. If instead of proroguing Parliament on the 13th of August, I had dismissed my Ministers, or compelled them against their will,—had that been possible,—into a line of action which should have eventuated in their premature overthrow, a cry far more loud and genuinely indignant, than that evoked by prorogation, would have been raised throughout the country; and the action of the Crown in rashly discarding or abandoning untried men whom Parliament had recommended to its confidence, would have been denounced with equal vehemence and far greater reason, as a high-handed act of the Prerogative. Nothing so disturbs the march of justice, so confuses an issue, so rehabilitates wrong-doing, as that any irregularity of procedure, any appearance of sharp practice should vitiate the action taken against the accused, and the destruction of my late Government under such circumstances would always have been regarded by its adherents as having been brought about by violent means, and through the uncalled for intervention of an Imperial officer.

18. If my Ministers have now fallen, they have fallen after they have had every opportunity of stating their case to the country, and of pleading their cause before a full Parliament. If the verdict has gone against them, it has done so under circumstances which leave them no ground of complaint against the Representative of the Crown.

19. On the other hand it must be apparent to those who take an adverse view of the conduct of the late Administration, that a result which they would probably designate as the vindication of the national credit and public reputation of the Dominion, has been brought about, not by an ill-considered and hasty exercise of Imperial authority, nor by the application of premature pressure from without, but by the free and spontaneous action of the Representatives of the Canadian people—a conclusion which they will hail with a satisfaction, proportionate to their power of appreciating the privileges of self-government, and to the importance they may attach to Canada being recorded in history as having proved competent to the guardianship of her highest interests.

20. During the whole of this unfortunate business, I have never doubted but that a strict application of the principles of Parliamentary Government would be sufficient to resolve every difficulty, and that a result would be eventually arrived at in harmony with the convictions and wishes of the Canadian people. Had it proved otherwise, I still held in reserve a Constitutional power equal to any emergency, and in the last resort I should have been quite prepared to have exercised it in whatever way the circumstances of the case might have justified.

The Earl of Kimberley,
&c. &c. &c.

I have, &c.,
(Signed) DUFFERIN.

No. 14.

The EARL OF KIMBERLEY to The EARL OF DUFFERIN.

My LORD,

November 29, 1873.

I HAVE received and laid before the Queen your Lordship's Despatch of the 7th of November,* reporting the proceedings of the Dominion House of Commons on the re-assembling of Parliament, on the subject of the charges brought by Mr. Huntington

* No. 13.

CANADA.

against your Ministers, and acquainting me that, after a lengthened debate on an amendment moved by Mr. Mackenzie to the address in answer to your speech, Sir John Macdonald had placed his resignation and that of his colleagues in your hands, and you had thereupon called upon Mr. Mackenzie to form a Ministry.

I agree with your Lordship in the satisfaction which you express that the result arrived at has been reached by a strict application of constitutional principles, and by the regular working of the machinery of a free Parliament, and I have much pleasure in conveying to you Her Majesty's entire approval of the manner in which you have acted in circumstances of no ordinary difficulty.

The Earl of Dufferin,
&c. &c. &c.

I have, &c.,
(Signed) KIMBERLEY.

LONDON

PRINTED BY WILLIAM CLOWES AND SONS, STAMFORD STREET AND CHARING CROSS,
FOR HER MAJESTY'S STATIONERY OFFICE.

NORTH AMERICA. No. 4 (1874).

CORRESPONDENCE

RELATING TO THE

NEGOTIATIONS FOR A RECIPROCITY TREATY

BETWEEN

CANADA AND THE UNITED STATES.

Presented to both Houses of Parliament by Command of Her Majesty.

1874.

LONDON :

PRINTED BY HARRISON AND SONS

[C.—1060.] Price 3½*d.*

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Correspondence relating to the Negotiations for a Reciprocity Treaty between Canada and the United States.

No. 1.

The Earl of Dufferin to the Earl of Carnarvon.

(Extract.)

Canada, February 24, 1874.

I HAVE the honour of sending herewith a full copy of the approved Order in Council of the 23rd of February, of which I have already communicated by telegram a slightly abbreviated transcript.

My present advisers are very anxious to take advantage of the opportunity which seems about to present itself of re-establishing a Reciprocity Treaty between Canada and the United States of America. I imagine that the course they contemplate will be generally approved throughout the country, and they assure me that it will meet with the approbation of Parliament.

Inclosure in No. 1.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General in Council, on the 23rd February, 1874.

THE Committee of Council have had under consideration a Memorandum, dated 23rd February, 1874, from the Honourable Mr. Mackenzie, reporting that he considers the present a most favourable opportunity for a renewal of negotiations for a Reciprocity Treaty between Canada and the United States of America, by which the claim for compensation, as regards the fisheries, might be settled without the reference provided for by Article XXII of the Treaty of Washington, and therefore recommending that the Imperial Government be requested to authorize the British Minister at Washington to enter into negotiations on that subject with the Government of the United States.

The Committee concur in the opinion above expressed, and advise that a copy of this Minute be communicated by your Excellency to the Right Honourable the Secretary of State for the Colonies, for the consideration of Her Majesty's Government.

Certified,

(Signed) W. A. HIMSWORTH.

No. 2.

The Earl of Carnarvon to the Earl of Dufferin.

My Lord,

Downing Street, March 5, 1874.

WITH reference to your telegram of the 24th February forwarding an Order in Council of the 23rd of that month, from which it appears that your Ministers are of opinion that the present is a most favourable occasion for a renewal of negotiations for a Reciprocity Treaty, and in which they make a formal request that an attempt may be made to settle in this manner, and without reference to a Commission, the claim for

compensation in regard to the fisheries, I have now the honour to transmit to you a copy of a despatch addressed by the Earl of Derby to Her Majesty's Minister at Washington,* instructing him to take immediate steps for entering into negotiations with the United States' Government, with a view to the renewal of the Reciprocity Treaty.

2. Upon learning the strong desire of your Ministers that a renewal of the Reciprocity Treaty should be sought for, Her Majesty's Government, though they had been fully prepared to abide by, and were in no way apprehensive of the results of, the reference contemplated by the provisions of that Treaty, did not hesitate to accede to that desire; and it will be seen, from the tenor of the instructions addressed to Sir E. Thornton, that full effect was at once given to what were understood to be the wishes of your Government.

3. As a simple and obvious course of procedure the IIIrd Article of the Reciprocity Treaty was suggested as the basis of the negotiation, it being, of course, open alike to Her Majesty's Government, on behalf of Canada, as to the Government of the United States, to propose any modifications of, or additions to, that Article, or to widen the field of discussion by introducing questions which were not disposed of by the Treaty of 1854.

4. Your Ministers may rest assured that Her Majesty's Government are desirous to meet, as far as it may be practicable to do so, their reasonable wishes upon this subject, and that they will be prepared to give careful consideration to any further proposals which may be made by your Ministers during the course of the negotiations.

5. I may add that, with a view to save delay, you are at liberty to communicate unreservedly, though, of course, confidentially, with Sir E. Thornton as to the views of your Government, taking care, however, to transmit to me, at the earliest opportunity, copies of such correspondence.

I have, &c.
(Signed) CARNARVON.

No. 3.

The Earl of Dufferin to the Earl of Carnarvon.

My Lord,

Government House, Ottawa, March 17, 1874.

I HAVE the honour to acknowledge the receipt of a telegram dated 14th March from your Lordship, in which you have been pleased to signify your assent to the request of my Government that a Canadian gentleman should be associated with Sir Edward Thornton in the event of Her Majesty's Government authorizing the British Minister at Washington to enter upon a negotiation with the United States for the whole or partial renewal of the Reciprocity Treaty.

I have been requested by Mr. Mackenzie and his colleagues in the Administration to convey to your Lordship their sense of the consideration which has been shown to their representations by Her Majesty's Government in this matter.

I have further to inform your Lordship that it is perfectly understood by the Dominion Government that Her Majesty's Government, in consenting to authorize the substitution of a Reciprocity Treaty in lieu of the money payment secured to Canada in respect of her fishery claims under the Article of the Treaty of Washington, have done so at the express instance and solicitation of the Canadian Government.

It is also understood that the Canadian Commissioner will act under Imperial instructions, and that all propositions to be made to the United States' Government will be previously submitted to the Secretary of State.

I have communicated a copy of this despatch to the Privy Council.

I have, &c.
(Signed) DUFFERIN.

* See No. 4, page 3.

3

No. 4.

The Earl of Derby to Sir E. Thornton.

Sir,

Foreign Office, February 27, 1874.

I TRANSMIT to you herewith a copy of a telegraphic despatch, received by Her Majesty's Secretary of State for the Colonial Department from the Governor-General of Canada,* from which it appears that the Council of the Dominion are of opinion that the present is a most favourable opportunity for a renewal of negotiations for Reciprocity Treaty between Great Britain and the United States, by which the claim of Canada for compensation on account of the admission of American fishermen to the Canadian fisheries might be settled without the reference to a Commission provided by the Treaty of Washington; and the Council accordingly recommend that Her Majesty's Government may be requested to authorize you to enter into negotiations on the subject with the United States. The Governor-General adds that he has no doubt that the Parliament of the Dominion will approve this policy.

Her Majesty's Government are ready to make, on behalf of Canada, the proposal which the Council desire, and they now authorize you to propose to the United States' Government to enter into a Treaty to renew the IIIrd Article of the Reciprocity Treaty of 1854, with a provision for preserving in force Articles XXII to XXV of the Treaty of Washington, in case the arrangement now proposed should fail to be carried out within a limited time to be fixed for that purpose.

It will, of course, be understood that, if the United States' Government suggest any modifications in the Article of the Reciprocity Treaty which you are now to propose to renew, it will be equally open to Her Majesty's Government to suggest on behalf of Canada any modifications or additions which, after communication with the Government of the Dominion, may appear expedient.

I am, &c.
(Signed) DERBY.

No. 5.

The Earl of Derby to Sir E. Thornton.

Sir,

Foreign Office, March 14, 1874.

I HAVE to acquaint you that the Canadian Government have recommended Senator George Brown for the appointment of Commissioner to be associated with you in negotiating the proposed Reciprocity Treaty, and that Her Majesty's Government have concurred in this recommendation.

Mr. Brown's formal appointment will be sent out as soon as possible, and meanwhile you will inform the United States' Government that he has been selected for the office.

I am, &c.
(Signed) DERBY.

No. 6.

The Earl of Derby to the Hon. G. Brown.

Sir,

Foreign Office, March 21, 1874.

HER Majesty having been graciously pleased to appoint you to be joint Plenipotentiary with Her Majesty's Minister at Washington, for the purpose of negotiating and concluding a Treaty with the United States relating to Fisheries, Commerce, and Navigation, I have to acquaint you that Her Majesty has granted to you and Sir E. Thornton, under the Great Seal, a full power for that purpose.

I am, &c.
(Signed) DERBY.

* No. 1.

No. 7.

The Earl of Dufferin to the Earl of Carnarvon.

My Lord,

Ottawa, March 27, 1874.

I HAVE the honour of forwarding a copy of an approved Report of a Committee of the Privy Council on the subject of establishing reciprocal trade relations between the United States and Canada.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 7.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General in Council on the 26th March, 1874.

(Extract.)

THE Committee of Council have had under their consideration the correspondence between his Excellency the Governor-General and the Secretary of State for the Colonies, relating to a settlement of the claims of the Dominion for compensation of the fishery privileges granted to the United States by the Washington Treaty.

The Committee having ascertained that no objection would be raised by Her Majesty's advisers to a settlement without having recourse to the arbitration provided for in the Treaty, agreed, after deliberation, to the proposed course.

It was accordingly decided on to dispatch a confidential Agent to Washington, and this mission having been accepted by the Honourable George Brown, that gentleman proceeded to Washington early in February, and speedily succeeded in ascertaining that a general willingness existed on the part of leading Statesmen of the United States to enter into a new Commercial Treaty embracing the settlement of the claims of Canada for such compensation.

Upon receiving Mr. Brown's Report, application was made to the Imperial Government to authorize the British Minister at Washington to open negotiations with the United States' Government for more extended trade relations between the two countries, and at the same time requesting that a Canadian be appointed Commissioner to act with Sir Edward Thornton in such negotiations.

These requests were acquiesced in, and the Honourable George Brown was empowered to act as Imperial Commissioner on behalf of the Canadian Government.

In carrying on the negotiations the Canadian Commissioner will keep clearly in view the circumstances that the Government of Canada is desirous, on general principles, to afford every facility for the encouragement of international trade as mutually beneficial to both countries, conferring not alone pecuniary advantages, but tending to foster and strengthen a feeling of national friendship so desirable in the interest of peace and good neighbourhood to two countries occupying the geographical position towards each other of the United States and Canada, and that any measure which will tend to promote and maintain friendly intercourse and harmony between our neighbours and ourselves through the free interchange of commodities, so that it be not seriously prejudicial to our industrial interests, will receive the support of the Dominion Government.

Mr. Brown will communicate this view to Sir Edward Thornton, accompanied with the representation that the Government of Canada do not propose any modification in matters of trade and commerce which would in any way injuriously affect Imperial interests.

The Committee further advise that a copy of this Minute be sent to Mr. Brown, and that the Honourable A. J. Smith, Minister of Marine and Fisheries, be requested to proceed to Washington at an early day to confer with Mr. Brown more fully, and render such assistance as may be necessary to a perfect understanding of the whole question.

No. 8.

Sir E. Thornton to the Earl of Derby.—(Received May 11.)

(Extract.)

Washington, April 28, 1874.

I HAVE the honour to inclose copy of a paper which Mr. Brown and I yesterday submitted to Mr. Fish.

The greater part of this document is occupied with the history of the last fifty years of the trade relations between Canada and the United States, and shows the advantage which the United States, as well as Canada, would derive from greater liberality in those relations.

Mr. Fish took the document, and said that he was much occupied at this moment with Congressional business, but that he would take our proposals into consideration, and would let us have an answer as soon as he could.

Inclosure in No. 8.

Memorandum on the Commercial Relations, past and present, of the British North American Provinces with the United States of America.

THE Undersigned, Joint Plenipotentiaries of Her Britannic Majesty, with full powers for the negotiation and conclusion of a Treaty with the United States relative to Fisheries, Commerce, and Navigation, deem it fitting that, at the outset of the negotiations with which they have been charged, they should submit for the consideration of the Secretary of State some suggestions in regard to the commercial relations between the United States and the Canadian Dominion, which may not be unworthy of attention.

All the figures used in this memorandum are taken from the official documents of the United States' Government, except when otherwise stated.

When the British North American Provinces of Canada are spoken of, all the Provinces now composing the Dominion, and also the Island of Newfoundland, are included therein.

An impartial examination of the commercial relations that have existed between the United States and the British North American Provinces for the last fifty years, cannot fail to establish, we venture to think, beyond all doubt, that the traffic between them has been exceedingly valuable to both countries, but that the United States have, from first to last, reaped the largest advantage from it.

In the twelve years from 1821 to 1832 (both years inclusive) the United States official records show that the exports of the United States to the British North American Provinces were of the aggregate value—

							Dols.
In home products, of	..	..	..	..	..	..	30,591,117
In foreign products, of	..	..	..	..	..	..	403,909
Total United States exports	..	..	..	..	..	..	31,401,326
And that the entire imports of the United States in the same period from the Provinces were but	..	..	..	..	..	..	7,684,559
Leaving a balance of trade in favour of the United States of no less than	..	..	..	..	..	..	23,716,767

In the thirteen years following the above period (1833 to 1845), the same state of things is found, with a steady increase on the aggregate of traffic. The exports of the Republic to the British North American Provinces were—

							Dols.
Of domestic products	..	..	..	..	..	..	54,082,537
Of foreign products	..	..	..	..	..	..	4,640,332
Total United States exports (1833 to 1845)	..	..	..	..	..	..	58,722,869
And the imports of the Republic from the Provinces were but	..	..	..	..	..	..	23,356,275
Leaving a balance in favour of the United States of	..	..	..	..	..	..	35,366,594

Transportation in Bond.

In 1846 we entered upon a period when the United States' Government, after very many years of earnest effort, succeeded in obtaining from Great Britain a relaxation of the old restrictive navigation laws with regard to the British Colonies. With it came the international drawback system for the encouragement of overland transportation to and from the Atlantic Ocean without payment of duties. Although this measure only extended to the transport of merchandize, it is instructive to observe the immediate and remarkable

effect it had on the direct transactions between the Republic and the Colonies. The aggregate imports and exports between the countries immediately rose from 8,074,291 dollars, in the year 1845, to the following figures :—

							Aggregate Import and Export Trade.
							Dols.
1846	..	..	..	..	..	..	9,344,150
1847	..	..	..	..	..	..	10,329,470
1848	..	..	..	..	..	..	12,029,122
1849	..	..	..	..	..	..	10,931,147
1850	..	..	..	..	..	..	15,193,497
1851	..	..	..	..	..	..	18,708,045
1852	..	..	..	..	..	..	16,619,315
1853	..	..	..	..	..	..	20,691,360
Total	..	..	..	..	..	..	113,846,106

Thus, while from 1821 to 1832 the aggregate annual traffic between the countries averaged 3,257,153 dollars, and from 1832 to 1845, 6,313,780 dollars per annum—under the influence of a more liberal policy the traffic rose, from 1846 to 1853, to no less an average than 14,230,763 dollars per annum.

And the balance of trade still preponderated enormously to the advantage of the United States. In these eight years the Republic exported to the Provinces—

							Dols.
Of home products	..	..	..	..	..	..	55,072,260
Of foreign products	..	..	..	..	..	..	22,020,254
Total United States exports (1846 to 1853)	..	..	..	..	..	..	77,092,514
While the imports of the Republic from the Provinces were but	..	..	..	..	..	..	36,753,592
Leaving in favour of the United States, on eight years' transactions, the vast balance of	..	..	..	..	..	..	40,338,822

But, in addition to this direct interchange of merchandize, with its great preponderance in favour of the Republic, a large amount of the import and export traffic between Great Britain and the Provinces now began to be carried in bond over the canals and railways of the United States to Atlantic or inland ports, and thence dispatched to their ultimate destinations in American ships and steamers, vastly to the gain of the Republic, and without any corresponding advantage to the Provinces.

The Reciprocity Treaty.

The great success that thus attended this first partial experiment of reciprocal liberality in commercial intercourse between the two countries, led directly and easily to proposals for the much more decided measure of an interchange of the natural products of the two countries free of Customs-duty. For a number of years the subject was keenly debated in all its bearings; and it is instructive to look back on the record of those discussions, and observe the long list of distinguished American statesmen who were warm advocates of the measure.

The Reciprocity Treaty of 1854 was signed on the 5th June of that year, by Mr. Marcy, on behalf of the United States, and by the late Lord Elgin, as representative of Great Britain. Its happy effects were felt instantaneously; and it is only necessary to refer to the speeches and papers of the able men of all parties in both countries, who promoted the measure, and to analyze the official returns of its operation while in force, to arrive irresistibly at the conclusion that its results greatly surpassed the most sanguine anticipations of its originators and advocates.

The Treaty may be said to have been thirteen years in operation; for though nominally it began in 1854 and ended early in 1866, the traffic was pushed with such energy during the months of its operation in those two years, as to place them on an equality with the other years.

To obtain a just appreciation of the value of the traffic between the Republic and the Provinces during the thirteen years' operation of the Treaty, it is necessary to keep in mind that the Civil War in the States in the last four years of the Treaty's existence enhanced the value of commodities, and so deranged the industrial interests of the Republic as to give the Provinces a temporary advantage in the traffic, forbidding any fair deduction

from it as to the ordinary course of trade in times of peace. In one year (1865-66) at the end of the war the exports of British North America to the United States rose, according to the United States' official records, to 54,714,383 dollars.

However profitable this casual advantage may have been to the provinces, it can hardly be regarded as an objection to the Treaty that in time of war, when the American husbandman was debarred from tilling his fields, the necessities of life were largely supplied under it without the addition of onerous Customs duties and Custom-house restrictions. Assuredly, had the Treaty not then been in existence, every ton of these supplies, under the pressing urgency of the case, would have found its way across the lines, probably with little reduction of profit to the producer, but great increase of cost to the consumer.

The grand fact remains that, under the operation of the Reciprocity Treaty of 1854, the aggregate interchange of commodities between the Republic and the Provinces, to promote which the Treaty was concluded, rose from an annual average of 14,230,763 dollars in the previous eight years to 33,492,754 dollars gold currency, in the first year of its existence; to 42,942,754 dollars, gold currency, in the second year of its existence; to 50,339,770 dollars, gold, in its third year; and to no less a sum than 84,070,955 dollars at war prices, in its thirteenth year.

And notwithstanding the anomalous character of the circumstances arising from the existence of civil war during so considerable a portion of the Treaty's existence, by which the imports from the Provinces were greatly increased in volume and value, and the exports to the Provinces as naturally reduced in quantity, the balance of trade, during the existence of the Treaty, was largely in favour of the United States. In the thirteen years of its operation, the Provinces purchased from the Republic commodities, according to the United States' returns, to the value of 346,180,264 dollars, and the Republic purchased from the Provinces 325,726,520 dollars, leaving a gross cash balance in favour of the United States of 20,454,246 dollars. But the balance was, in fact, much larger than this. During the first ten years of the Treaty, the transactions between the countries showed a clear balance in favour of the United States of 62,013,545 dollars. That balance appears, from the United States' returns, to have been reduced, by the operations of the following three years, to the amount of 20,454,246 dollars; but this arose, no doubt, from the inflated values at which the importations into the United States from the Provinces were made under the Treaty during the war, their being no Customs duty to necessitate accuracy and every temptation to over valuation on the part of the importer. According to the official returns of the several British Provinces, which are accurately kept, the Provinces purchased from the Republic, during the thirteen years in question, commodities to the aggregate value of 359,667,257 dollars gold valuation, and the Republic purchased from the Provinces 197,056,257 dollars, in same valuation, leaving, as the sum total of the results of the Treaty of 1854, an aggregate international traffic of 623,437,525 dollars, and a gold balance in favour of the Republic of 95,796,989 dollars.

Traffic with Canada in Comparison with other States.

The importance of the Canadian traffic under the Reciprocity Treaty can be most clearly seen, perhaps, by a comparison of it with the transactions which the Republic had with other foreign countries during the same years. The total exports of the United States from 1854 to 1866, both years inclusive, amounted to 4,000,000,000 dollars. Of this vast export traffic—

	Dols.					
England and her possessions took	2,769,974	538
France and her possessions took	453,993,996	
Spain and her possessions took	265,893,221	
Germany took	207,308,647	
Total	3,697,170,402	

And all the rest of the world took the balance.

Of the above exports, Canada's share, as we have already seen, was 346,180,264 dollars, an amount equal to the aggregate exports taken from the United States in the same years by China, Brazil, Italy, Hayti, Russia, and her possessions, Venezuela, Austria, the Argentine Republic, Denmark and her possessions, Turkey, Portugal and her possessions, the Sandwich Islands, the Central American States and Japan, all put together. In marked contrast to this, however, the United States imported from these countries, in the same years, to the amount of 538,523,386 dollars, leaving a cash balance to be paid to

them by the Republic of 192,109,610 dollars, while Canada paid over to the States a cash balance of 95796,989 dollars in gold.

Character of Traffic under the Treaty.

The character of the commodities purchased from the Republic by the Provinces during the existence of the Reciprocity Treaty is also worthy of special note. In the thirteen years of its operation, the total purchases by the Provinces of United States home productions, and of foreign articles imported by the United States' merchants, were as follows :—

							Dols.
Animals and their products	..	..	..	..	..	..	35,433,213
Breadstuffs	..	..	..	..	..	..	112,058,473
Other farm products	..	..	..	..	..	..	3,242,982
Timber	..	..	..	..	..	..	8,511,488
Manufactures	..	..	..	..	..	..	88,649,855
Miscellaneous	..	..	..	..	..	..	24,044,977
							<hr/>
Total home productions	..	..	..	..	..	..	271,940,988
Foreign commodities bought from the merchants of the United States and imported into Canada	..	..	..	..	..	..	62,379,718
							<hr/>
Total purchases	..	..	..	..	..	..	334,320,706

From this it will be seen that not less than 151,029,573 dollars of manufactured goods were purchased from the United States by the Provinces under the operation of the Reciprocity Treaty.

Transportation Traffic under the Treaty.

Did nothing more, therefore, than the volume of traffic between the countries and the comparative contributions of each country to it, enter into the question of relative advantages derived from the Treaty by each, no doubt could exist as to the United States having reaped much greater profit from the Treaty of 1854 than the Provinces. But there is another very important branch of the account. The transportation traffic sent to and brought from foreign countries by the Provinces, in bond, over the railways and canals, and in the ocean ships and steamers trading from United States ports, rose under the operation of the Treaty to an importance secondary only to the traffic in domestic productions. Previous to the negotiation of the Treaty this traffic had assumed considerable dimensions, but the vast increase that occurred under its operation must have drawn very large gains into the coffers of the Republic, and indirect advantages quite as valuable as the direct ones. No official returns of the goods thus passed over by the United States seems to have been preserved until the fiscal year 1867-68 ; but from the returns since published, we can form some idea of the great profit that must have accrued to the Republic while the Treaty was in force. These returns thus state the values of the foreign exports that passed over the United States *in transitu* during the past six years :—

							Total United States Transit Traffic.
							<hr/>
							Dols.
1868	..	..	..	..	..	..	21,515,604
1869	..	..	..	..	..	..	21,095,984
1870	..	..	..	..	..	..	23,191,860
1871	..	..	..	..	..	..	25,375,037
1872	..	..	..	..	..	..	31,385,320
1873	..	..	..	..	..	..	40,099,185
							<hr/>
Total	..	..	..	..	..	..	162,662,990

Of this vast traffic, 115,241,704 dollars consisted of merchandize imported by the Provinces from other countries and carried over United States' railways and canals into Canada ; and 48,556,557 dollars of it consisted of produce exported abroad from the Provinces *via* the United States. The fact that these two amounts appear to make unitedly more than the whole aggregate of the United States' transit trade, arises from shipments made from one part of Canada to another, and consequently appearing in the list of goods going into the United States, as well as in that of goods sent out from the United States. Nearly the whole of the traffic *in transitu* of the Republic in these six years, was either sent from or sent to the British Provinces. And from its volume in

these recent years, we may form some idea of its great extent under the operation of the Treaty, when Colonial facilities for transportation were so different from what they now are.

The value of so vast a carrying trade is not easy to arrive at. Dr. Young, the able chief of the United States' Bureau of Statistics, recently stated that inward ocean freights on goods "vary from 100 per cent. on [the value of] salt and some other bulky articles, to 2 or 3 per cent. on dress goods," and that the "average on merchandize alone is not much less than 8 per cent." Now, if the ocean freight on ordinary merchandize is 8 per cent., how greatly more must be the per-centage of overland freights; and how infinitely greater must be the per-centage on the value of farm produce than on ordinary merchandize? If it is further considered that on the transit traffic to and from Canada, inland and ocean carriage have both to be paid for, and that a large proportion of the commodities are heavy and bulky, it will at once be seen what a fertilizing stream is poured by the merchants of the Dominion over the railways, canals, steam-ships, commission agents, and port cities of the Republic, even from the limited share of their traffic now sent *via* the United States, under a policy of severe restriction.

Special Privileges under the Treaty.

Nor was it merely from the vast interchange of commodities and the great carrying trade in bond that the United States reaped their golden annual harvest from the Treaty of 1854. It must not be forgotten that, by virtue of that Treaty, the Canadian canals and the navigation of the St. Lawrence were thrown open to the ships and commerce of the United States, on precisely the same footing as to those of the Canadian people, who had spent vast sums in their construction. How largely the Republic profited by this concession, the enormous amount of American merchandize passed through the Canadian canals in American bottoms, at tolls so low as to do little more than defray the cost of attendance and maintenance, the public records of both countries amply establish. The sole return made to the Provinces for this concession was the permission to navigate Lake Michigan, and the promise of the United States' Government to urge upon the State Authorities of the Republic to extend to the Provinces the same free use of the American canals as they had extended to the Republic. This promise never bore any fruit.

The St. Lawrence Coast Fisheries Free under the Treaty.

But the crowning concession enjoyed by the United States, under the conditions of the Reciprocity Treaty of 1854, was the free use of the priceless coast fisheries of British North America. For this concession the able statesmen who represented the thirteen States in the peace settlement at the close of the revolutionary war, struggled long and earnestly. To secure this much valued possession, all the skill of American diplomatists, persistently employed for three-quarters of a century, was exerted in vain. Under the Treaty of 1818, the right to the sea-fisheries of the Gulf of St. Lawrence was resigned to the United States; but not until 1854, and then only as part of the Reciprocity Treaty, and terminable with it, did they obtain access to the most valuable portion of the fisheries, namely, those within three miles from the coast, bays, and creeks of the Provinces. What the value was to the United States of this concession it would not become us to discuss while an arbitration to determine the compensation to be paid Canada for twelve years' further enjoyment of it is pending, under the provisions of the Treaty of Washington. But, as illustrative of the enormous preponderance of advantages reaped by the United States under the Treaty of 1854, we may, perhaps, be permitted to quote one or two extracts from the Reports of two Commissioners, specially appointed by the United States' Government to inquire and report on the subject of Reciprocity, as to the value of this one item in the balance of the international account:—

"Without participation in the sea fisheries near the shores of the Colonies, our deep sea fisheries in that region will become valueless."—*J. D. Andrews' Report*, page 35.

"England possesses no nursery for seamen at all equal to her North American Colonial trade."—*Ibid.*

"The average number of French seamen engaged in the cod fishery [of the Gulf of St. Lawrence] from 1841 to 1850 was 11,500, and the average bounty paid annually was 3,900,000 francs, (780,000 dollars), equivalent to 67 dol. 60 c. for each seaman. France trains up in this manner able and hardy seamen for her navy, who would cost the nation much more if they were trained on ships of war."—*Ibid.*

"The United States' tonnage engaged in 1862 in the cod fishery was 122,863 tons; in the mackerel fishery, 80,596 tons: aggregate 203,459 tons. The returns of fish and oil from this tonnage for 1862 considerably exceeded 14,000,000."—*E. H. Derby*, p. 42.

"Seamen (United States) in fisheries in 1862, 28,048. . . . The fisheries

break in at least 5,000 new seamen annually. . . . Six hundred sail have, in a single season, fished for mackerel in the Gulf of St. Lawrence and Bay of Chaleur, and taken fish to the amount of 4,500,000. . . . Nearly one-fourth of our fishing fleet, with a tonnage of 40,000 to 50,000 tons, worth 5,000,000 to 7,000,000 dollars annually, fish near the three-mile line of the Provinces.”—*Ibid*, p. 44.

Repeal of the Treaty.

Such was the Treaty of 1854, which the United States terminated in 1866, on the ground that the advantages from it were all on the side of the Provinces, and against the Republic. Well might the Commissioner of the United States' Treasury, (Mr. Derby), writing regretfully of the repeal, use these words :—“ It quintupled our trade with the Provinces, gave an impulse to public improvement, and utilized the new canals, railways, and other avenues of commerce.” And he might as truly have added :—“ Had the Provinces retaliated in the same spirit, it would have lost us the enjoyment of the shore fisheries of the maritime provinces, the use of the Canadian canals, and the navigation of the St. Lawrence River, all of which we enjoyed without consideration.”

Fortunately, the Provinces did not act in the same spirit. They thoroughly believed in the practical good sense of the United States' people—especially with such a balance sheet to look back upon as the results of the Treaty of 1854 present. They assumed that there were matters existing in 1865-66 to trouble the spirit of American statesmen for the moment, and they waited patiently for that sober second thought which was sure ere long to put all things right.

Immediately on the repeal of the Treaty, Customs duties were imposed by the United States on nearly all the articles imported under it from the Provinces. The Canadian Tariff was very little changed, and, as will be presently shown, a large preponderance of the exports from the United States into the Dominion are still admitted free of duty. The use of the Canadian canals was continued to American shipping and commerce on precisely the same terms as to those of Canada. The free navigation of the River St. Lawrence was still left open to American craft, and the shore fisheries of the St. Lawrence were thrown open from year to year to American fishermen, on payment of a small license fee.

Effect in Canada of the Abrogation of the Treaty.

The industry of Canada had been largely directed to the supply of the American market with commodities for home consumption, as well as for foreign exportation, and the repeal in 1866 of the Reciprocity Treaty, under which so vast a trade had grown up, rendered imperatively necessary prompt measures to open new markets for the sale of Canadian produce. These measures were at once taken. Under the influence of the formal notice given by the United States in 1865, of their intention to terminate the Treaty, Federation of the Provinces, then under discussion, was hurried on, and became a *fait accompli* within fifteen months after its repeal. The Intercolonial railway was at once undertaken, at a cost of over 20,000,000 dollars, at the national expense, to secure direct connection to and from the Atlantic Ocean, at Halifax and St. John, on Canadian soil; and the last section of that road will shortly be opened for traffic. Commissioners were dispatched to the British and other West India Islands, and to South American States, to promote the extension of direct trade between them and the Dominion. The enlargement of the canals, the improvement of the navigation of the lakes and River St. Lawrence, the construction of the Bay Verte Canal, to connect the waters of the Bay of Fundy and the St. Lawrence, the subsidizing of ocean and river steam-ship lines, and the promotion of the great ship-building and fishery interests, all received a new and vigorous impetus.

These measures were attended with remarkable success. Only seven fiscal years have passed since the repeal of the Treaty, but already the loss inflicted by it has been more than made up, and excellent outlets in new directions opened for Canadian commerce; with an increasing annual proportion of the vast carrying trade formerly done for the Provinces by the railways, canals, and steam-ships of the Republic, transferred to Canadian hands. The traffic between the United States and the Provinces at once fell, from an average during the three years before the repeal (according to American official statistics), of nearly 75,000,000 dollars per annum to an average of 57,000,000 dollars per annum during the first three years following repeal;—the act of confederation, too, removed from the category of foreign commerce to that of home consumption, the large interchanges of commodities between the several sections of the Dominion; and the aggregate foreign commerce of the provinces consequently fell in the first year after the repeal of the Treaty to 139,202,615 dollars from 160,409,455 dollars in the previous year. As will be seen

from the following statement, however, the trade of the Dominion speedily recovered from the blow, and the volume of its foreign commerce gradually increased until, in the seventh year from the repeal of the Treaty, it reached the great sum (for a people of 4,000,000 of 235,301,203 dollars, being 75,000,000 higher than it had ever reached in any year of the Treaty's existence :

						Total Exports and Imports of Canada and Newfoundland.
						Dols.
1867	..	..	..	..	..	139,202,615
1868	..	..	..	..	..	139,595,615
1869	..	..	..	..	..	142,240,897
1870	..	..	..	..	..	161,275,538
1871	..	..	..	..	..	184,852,006
1872	..	..	..	..	..	205,339,943
1873	..	..	..	..	..	235,301,203
Total	..	..	..	..	..	1,207,807,817

Injurious effect of Repeal on United States' Trade.

The traffic between the United States and the Dominion still retained large proportions, notwithstanding the barriers now raised against it. The aggregate imports and exports which immediately before the repeal had been (according to the United States' returns) 67,909,162 dollars in 1864, 71,374,816 dollars in 1865, and 84,070,955 dollars in 1866, fell immediately after the repeal to 57,927,347 dollars in 1867, 56,624,493 dollars in 1868, and 56,287,546 dollars in 1869. But there the falling off stopped. The volume of traffic then began steadily to reascend, and reached 67,939,125 dollars in 1870, 71,927,077 dollars in 1871, 73,720,512 dollars in 1872, and 82,381,626 dollars in 1873, or within 2,000,0000 dollars of the highest point reached during the Treaty's operation. The aggregate traffic between the countries in the seven fiscal years since the repeal was 466,807,726 dollars.

But large as this volume of trade is, it is instructive to observe how small a proportion of the foreign commerce of Canada this now forms, in comparison with the share of it enjoyed by the United States while the Treaty was in operation. During its thirteen years' existence the aggregate exchange of commodities between the countries averaged 46 per cent. of the entire foreign commerce of the Provinces; and in its last year the average had reached not less than 52½ per cent. of their entire commerce. But since the repeal the case is totally altered. The proportion of the foreign commerce of Canada transacted with the United States from 52½ per cent. in 1866, fell, in 1867, to 42 per cent.; in 1868, to 41 per cent.; in 1869, to 40 per cent.; in 1870, to 42 per cent.; in 1871, to 40 per cent.; in 1872, to 36 per cent.; and in 1873, to 35 per cent. The average proportion of the commerce of the Provinces has been since the repeal but 38½ per cent., against nearly 50 per cent. in the last five years of the Treaty. Had the Treaty not been abrogated in 1866, and the per-centage of Canadian traffic with the States risen no higher than it did under the Treaty, the interchange of commodities between the countries in the last seven years would have aggregated 600,000,000 dollars.

Changed Character of the Traffic since Repeal.

But it is not only in the diminution of commerce that the United States have suffered by the abrogation of the Treaty. The changed character of the traffic now carried on between the countries, in comparison with that formerly done is also worthy of attentive observation. For example, the consumption of lumber throughout the Republic increases enormously every year, and indeed, all over the world. The home supply of it in the United States is fast disappearing; prices go up steadily; and here is the result, since the repeal of the Treaty, on the United States' purchases from Canada, of that one article :—

						Dols.
1866-67	Lumber exports to United States	..	..	..	..	6,437,860
1867-68	"	"	"	"	"	6,727,006
1868-69	"	"	"	"	"	7,208,446
1869-70	"	"	"	"	"	8,670,702
1870-71	"	"	"	"	"	8,264,837
1871-72	"	"	"	"	"	8,410,917
1872-73	"	"	"	"	"	11,134,956

And the prices of lumber go up in prompt sympathy with the increasing demand, for the benefit of the lumber operators, who are in no need of sympathy in Canada, whatever they may be in the United States, but to the injury of numerous branches of industry in which wood forms an important element, and to the serious embarrassment of agricultural operations on prairie and other lands.

And so it is with fish, barley, peas, wool, hides, sheep, horses, and other articles of Canadian production, which cannot easily be got elsewhere. The demand from the United States is good and constant, notwithstanding the Custom-house barriers, and the prices keep steadily up.

Traffic driven from United States' Channels.

But in regard to wheat, flour, provisions, and other articles of which the United States have a surplus as well as Canada, the effect of the duties upon them has been to send through Canadian channels, direct to the maritime Provinces, the West India Islands and Great Britain, a vast amount of products that were formerly sold to New York and Boston houses, and shipped to these same markets through American channels. Where two countries alongside of each other have each a large annual surplus of the same article, and that article is in world-wide demand, heavy duties against each other can hardly be effective. The stuff will find its way to market by some route or other.

Canadians now large Exporters of Western Products.

The change in the other side of the account is equally instructive. The imports of domestic productions of the United States (as distinguished from foreign productions) into Canada, in the four years previous to the abrogation of the Treaty averaged 28,131,802 dollars annually; but on its abrogation they immediately fell to 20,548,704 dollars in 1867; and though they have since gradually recovered, so that the imports of the last seven years have averaged 25,649,349 dollars per annum, this was due, not to a demand for home consumption, but to the increasing carrying trade of the Dominion with foreign countries. The necessity of direct intercourse with foreign markets for Canadian products, forced on Canadian merchants by the repeal of the Treaty, led on to a considerable traffic with those markets in American domestic products; hence we find in the imports of Canada from the United States in the last four years, such items as the following :—

						1871-72.	1872-73.
						Dols.	Dols.
Meats—fresh, salted, and smoked	..	..	..	..	..	1,047,272	1,227,870
Swine	..	..	..	..	..	612,506	1,265,813
Flour and meal	..	..	..	..	..	2,604,644	2,505,581
Indian corn	..	..	..	..	..	3,778,256	4,360,854
Wheat	..	..	..	..	..	4,450,404	6,894,247
						12,493,082	16,254,365

Large portions of these articles were purchased for foreign exportation, either in the raw state or after being manufactured in Canada. The general progress of this trade, though not consisting solely of American products, is pretty well indicated by the following official returns :—

							Dols.
1868	Exports of foreign goods	..	..	..	..	..	4,196,821
1869	"	"	..	..	..	..	3,855,801
1870	"	"	..	..	..	..	6,527,622
1871	"	"	..	..	..	..	9,853,033
1872	"	"	..	..	..	..	12,744,125
1873	"	"	..	..	..	..	9,405,910
Total in six years							46,583,312

The home consumption of American domestic products in the Canada market has, therefore, largely decreased since the repeal of the Reciprocity Treaty.

Balance of Trade now largely against the Republic.

But the most remarkable effect of the abrogation of the Reciprocity Treaty was the immediate change it produced in the balance of trade between the countries. From the

year 1820 up to 1866, a term of forty-six years, there were only (according to the United States' returns) five years in which the annual transactions between the Republic and the Provinces did not show a large cash balance against the Provinces. But four of these five exceptions were merely the result of war prices and the over valuation usual in free entries. The entire interchange of traffic from 1820 to 1866 showed a cash balance in favour of the United States of 195,219,272 dollars. But this state of things came to a sudden end with the expiration of the Treaty, and the balances in favour of the Dominion have since been as follows :—

								Dols.
1866-67	..	..	..	..	..	..	..	9,281,009
1867-68	..	..	..	..	..	..	..	4,099,949
1868-69	..	..	..	..	..	..	..	7,893,082
1869-70	..	..	..	..	..	..	..	14,240,477
1870-71	..	..	..	..	..	..	..	2,921,625
1871-72	..	..	..	..	..	..	..	8,202,352
1872-73	..	..	..	..	..	..	..	5,236,514
Total balance against United States in seven years								51,875,008

Diversion of Traffic from United States' Ocean Ports.

There is still another feature of the changed relations between the countries well worthy of special note. The time was when the merchants of New York and Boston controlled a large proportion of the import and export traffic of the British provinces ; but that time passed away with the Reciprocity Treaty. Customs duties, Custom-house restrictions and examinations, Consuls' certificates, and bonding entries and charges, with all their annoyances and delays, have acted severely against the traffic of these ports in Canadian products, and the railways and canals leading from them, and forced the business into more northern channels.

Mr. E. H. Derby, Special Commissioner of the Treasury, in his official report to Mr. McCulloch of 1st January, 1866 (page 81), makes this statement : " The commerce of Boston affected by the Reciprocity Treaty exceeds 27,000,000 dollars annually, namely : Imports from and exports to the maritime provinces, 6,000,000 dollars ; outfits and returns in deep sea fisheries, 11,000,000 dollars ; imports of wool, grain, and animals across the frontier of Canada, and entered there, with returns, at least 10,000,000 dollars." We have no personal knowledge as to the accuracy of this estimate, but no better authority on the point than Mr. Derby could be desired. But if this was the annual interest of one United States' port affected by the Treaty in 1866, when the entire annual foreign commerce of the province was little more than 100,000,000 dollars, how shall the gain of 5,000,000 or 6,000,000 dollars to the United States' Treasury, levied on such necessities of life as beef, flour, coal, lumber, &c., compensate the loss of driving away from the great marts of the Republic the lion's share of a traffic already amounting to 235,000,000 dollars per annum :

Comparative Importance of Canadian Traffic in spite of Restrictions.

But with all these barriers and drawbacks in the way of natural and easy traffic, it is in the highest degree instructive to observe how important the commercial transactions between the Republic and Canada remain, even now, in comparison with those between the United States and countries more remote. Permit us to analyze the export traffic of the United States for the fiscal year ending 30th June, 1872, in order to show this. In that year the entire export traffic of the Republic with foreign countries, including the trade *in transitu*, was as follows :—

					Dols.	Dols.
Of home products	..	..	..	..	549,219,718	
Of foreign products	..	..	..	..	22,769,749	
Of foreign products <i>in transitu</i> over the railways, &c., of the United States to foreign countries	..	..	..	..	31,385,320	
Total United States export traffic, 1871-72					603,374,787	
Of this vast traffic Great Britain and her Colonies (omitting Canada and Newfoundland) took from the United States—						
Of home products	..	..	..	..	329,224,701	
Of foreign products	..	..	..	..	8,844,872	
Of goods <i>in transitu</i>	..	..	..	..	3,420,332	
						341,489,905
Total export traffic						261,884,882

	Dols.	Dols.
Of this remaining traffic, the British North American Provinces took—		
Of home products	27,774,091	
Of foreign products	4,984,989	
Of goods <i>in transitu</i>	24,098,114	
Total British North American Provinces.. ..	56,857,194	
Germany took	43,483,003	
France and her possessions	34,704,730	
Spain and her possessions	27,577,792	162,622,719
And all the rest of the world.. .. .		99,262,163

From these figures it will be seen that, in the year 1871-72, Great Britain and her Colonies (including Canada) took over 66 per cent. of the entire export traffic of the United States, and all the rest of the world but 34 per cent.

It will also be seen that, in that year, the Canadian Dominion and Newfoundland took 13,874,191 dollars more of the export traffic of the United States than did any country in the world outside the British Empire; that she took 22,152,464 dollars more of it than France and all her possessions, and more than double the amount taken by Spain and all her possessions.

A further analysis of the foreign commerce of the United States shows that, in the same year, the export traffic from the United States to the Dominion exceeded the entire exports of the United States to the Chinese Empire, the Russian Empire, Brazil, Mexico, Italy, Japan, Hayti, Venezuela, Denmark and her possessions, Chili, Portugal, and her possessions, the Central American States, the Austrian Empire, the Argentine Republic, the Turkish Empire, the Sandwich Islands, Sweden, Norway, Liberia, and Greece all put together. The total export traffic of the United States to these twenty countries, in home products, foreign goods, and goods *in transitu*, being 56,663,359 dollars, while that to Canada was 56,857,194 dollars.

A continued analysis of the United States' official Returns shows that, while Canada in 1871-72 thus swelled the export sales of the domestic and foreign goods in the United States, and the carrying trade of their ocean fleet and railways and canals, to an equal extent with the above twenty countries, the United States took that year from Canada in return but 40,991,432 dollars, of which 4,614,502 dollars was gold and silver, 1,180,790 dollars goods of United States' production returned to the States from Canada, and 691,299 dollars effects of immigrants passing through Canada into the United States. But, on the other hand, while the twenty countries above-named took, as above stated, but 56,663,359 dollars of the export traffic of the United States, their import traffic into the United States was no less than 108,377,613 dollars—of which only 7,218,620 dollars was gold.

Comparative Duties in the United States and Dominion.

Again: of the entire purchases by Canada from the United States in 1871-72 of home and foreign products (excluding the traffic *in transitu* from the comparison), articles to the value of 20,710,532 dollars were admitted free of duty, and only on 12,048,548 dollars was any duty paid. The total amount of duty levied was 2,216,215 dollars, or an average per centage on Canada's entire importations from the States (free and dutiable) of that year, of only $6\frac{3}{4}$ per cent. On the other hand, of the purchases by the United States from Canada in the same year, the articles admitted free of duty were to the value of but 9,329,881 dollars, and those subjected to duty 31,631,551 dollars. Indeed, as there were included among the free importations 4,619,502 dollars of gold and silver coin and bullion, 1,180,790 dollars of United States' productions returned to the States, and 686,800 dollars of effects of immigrants passing through Canada into the States,—the free importations of merchandize from Canada by the United States were, in reality, but 2,842,789 dollars, against 31,631,555 dollars, on which Customs duties were levied to somewhere about 25 per cent. on the entire importations of the year.

Same Facts demonstrated in 1873.

And the same state of things is found in the year ending 30th June, 1873. The declared value of the entire export traffic of the United States with foreign countries was as follows :—

						Dols.
Of home products	..	..	..	..	..	649,132,563
Of foreign products	..	..	..	..	..	28,149,511
Of foreign products passing <i>in transitu</i> over the railways and canals of the States to foreign countries	..	..	..	..	..	40,099,185
Total United States export traffic 1872-73	..	..	..	..	..	706,949,259
Of this vast export traffic Great Britain and her Colonies received from the United States:—						
Of home products	..	..	..	..	..	420,939,283
Of foreign products	..	..	..	..	..	18,639,171
Of foreign goods brought over the railways and canals of the States	..	..	..	..	..	33,071,529
						472,649,983
Balance to the rest of the world	..	..	..	..	..	234,299,276

Of the above great amount of traffic taken from the United States by Great Britain and her Colonies Canada took—

						Dols.
Of home products	..	..	..	..	..	34,368,811
Of foreign products	..	..	..	..	..	4,203,745
Of goods imported over the railways and canals of the United States	..	..	..	..	..	26,784,184
Total export traffic of the United States to Canada.	..	..	..	..	..	65,356,740
Germany's share was	..	..	..	..	..	68,724,421
France and her possessions took	..	..	..	..	..	36,083,266
Spain and her possessions took	..	..	..	..	..	29,257,121
And all the rest of the world took	..	..	..	..	..	100,234,468

Great Britain and her possessions took 67 per cent. of the entire export traffic of the United States for 1872-73, and all the rest of the world but 33 per cent.

With the exception of Germany (whose traffic exceeded that of the Dominion by only 3,367,681 dollars) Canada in this year was the largest customer of the United States outside the British Empire. She took 29,273,470 dollars of United States export traffic more than was taken by France and her possessions; more than double what was taken by Spain and her possessions; and more than the Russian Empire, Japan, Italy, Brazil, Mexico, Hayti, Peru, the Argentine Republic, Venezuela, Sweden, Norway, Denmark and her possessions, Chili, China, Uruguay, the Austrian Empire, the Turkish Empire, the Central American States, Portugal and her possessions, the Sandwich Islands, Liberia, and Greece all put together. These twenty-two countries took in all 64,901,145 dollars of the export traffic of the United States, of which 12,397,315 dollars was gold, while Canada alone took 65,356,740 dollars, of which only 4,269,181 dollars was gold.

On the other hand, the United States in the same year imported from Canada but 43,809,070 dollars, of which 6,159,538 dollars was gold, 1,211,155 dollars products of the United States returned from Canada to the States, and 729,985 dollars, effects of immigrants passing through Canada into the United States. The actual importation of Canadian merchandize was, therefore, but 35,708,392 dollars, while the twenty-two countries above-named, whose share of the United States export traffic of the year was but 64,901,145 dollars, including gold, or 52,593,830 dollars excluding it, sent into the United States in the same year no less than 131,101,423 dollars, of which but 2,104,393 dollars was gold. The "balance of trade" for the years 1872-73, therefore, was 52,593,830 dollars of export traffic from the United States into these twenty-two countries, and 128,997,030 dollars of imports into the United States from them, or 76,303,200 dollars against the United States.

And the contrast is even more marked when the United States customs duties on Canadian products are compared with those on the products of other countries whose commerce is of infinitely less moment than that of Canada. In the year 1872-73, of the 35,708,392 dollars of merchandize imported by the United States from Canada, only 4,334,285 dollars was admitted free of duty, and on the remaining amount of 31,374,107 dollars duties were levied to somewhere about 25 per cent. on the entire importations from Canada of that year. Canada, on the other hand, on her importations from the United States the same year, admitted merchandize to the value of 22,016,690 dollars entirely free of duty, and levied duties on only 16,555,866 dollars, to the amount of but 2,923,795 dollars, or 8½ per cent. on the entire importations of merchandize for the year. How different was it with the twenty-countries above-named. Of their importations into the United States, 102,501,338 dollars were received free of duty, and only on 29,200,085 dollars was any duty charged.

It is not for us to criticise in any way the manner in which the United States choose to impose their duties. We merely mention these things to remind you of the disadvantageous position Canada occupies in her transactions with the Republic, in comparison with that of other countries, whose transactions are not to be compared in extent or profit with those of the British provinces.

When, with all these facts before them, Her Majesty's Advisers invite the Government of the United States to reconsider the whole commercial relations of the Republic and the Dominion, with a view of placing them on a friendly and durable basis of reciprocal advantage, the question naturally presents itself, how it comes that, having prospered so well since the repeal of the Reciprocity Treaty of 1854, Canada now seeks for its restoration. The answer is as natural as the question. The population of the United States is 40,000,000, and that of the Dominion is but 4,000,000. The boundary between them is, for the most part, but a surveyor's line often unknown even to those who live beside it; and it is of the utmost importance to Canada that common interests and mutual good will should exist between the countries. And what so conducive to this end as commercial intercourse, generously carried on and mutually profitable? The people of Canada are not ignorant that a market near at hand is better than a distant one; and, good as their present markets are, they would gladly have the old one in addition. They comprehend the barrier that Custom-house restrictions throw in the way even of the existing traffic; and they seek to have these withdrawn. They are proud of their own St. Lawrence route, and intend to improve it to the uttermost for the benefit of the great West and their own; but would gladly use the ocean ports and other channels of commerce of the Republic, when freights and fares and friendly reciprocity draw them in that direction. And very great as have been the advantages always accruing to the United States from reciprocity, the Canadians can find only cause of hearty rejoicing at that, so long as they themselves continue to enjoy that moderate degree of prosperity with which Providence has blest them. There is no mystery or *arrière-pensée*, in their desire that the commercial relations of the Republic and the Dominion should be placed on the most kindly and unfettered and mutually advantageous basis consistent with their respective existing obligations, and with that connection with Great Britain which the Dominion so happily enjoys.

It was with these views and in this spirit that the Canadian Administration availed itself of the opportunity presented by the XXIInd Article of the Treaty of Washington to represent to Her Majesty's Government the advantage that would accrue to both countries by the substitution of a satisfactory Commercial Treaty in lieu of the money compensation to be paid (under arbitration) by the United States for twelve years' enjoyment of the coast fisheries of the Dominion. It was felt that if the large value placed by the Canadian people on their fisheries were not reasonably compensated by the results of the arbitration, a feeling of dissatisfaction might be engendered in the provinces, not conducive to international harmony; and that if, on the other hand, an award were made equal to the confident anticipations of the provinces, the good feeling restored in the United States by the Treaty of Washington might be sensibly impaired. To merge the matter in a general measure of mutual commercial concession, for the mutual advantage of both parties, and with injury or injustice to neither, seemed the fitting conclusion to be arrived at by the Governments of two great nations.

Her Majesty's Ministers were pleased to adopt the suggestion of the Canadian Government, and the matter having been brought under the attention of the Secretary of State, and through you, Sir, to the notice of the President of the United States, a friendly response was at once received, and the necessary measures instituted for opening formal negotiations.

In the interview which we had the honour to be favoured with by you at the State Department on the 28th March, we stated to you that Her Majesty's Government was prepared to accept a renewal of the Reciprocity Treaty of 1854 as a substitute for the arbitration provision of the Washington Treaty, in reference to the Canadian Coast Fisheries.

You, thereupon, suggested an enlargement of the scope of the Treaty, and we asked in what manner you would propose to enlarge it.

You replied that you had no proposition to make, but that you suggested, as topics for discussion—the enlargement of the Canadian Canals, so as to facilitate the transportation of the products of the great Western States to the Atlantic seaboard; and also the addition of certain classes of manufactures to the free list of the old Treaty.

We then stated that we were prepared to enter into an agreement for the enlargement of the Canadian canals.

In regard to the addition of certain classes of manufactures to the free list under the old Treaty, we reminded you that the revenue of the Canadian Dominion was largely obtained from a 15 per cent. *ad valorem* duty on manufactured goods, and that any articles made free in Canada under agreement with any foreign country must be made free to Great Britain. But we added that the Government of Canada was desirous to afford every facility for the encouragement of extended commercial relations between the Republic and the Dominion, in the belief that nothing could tend more to their mutual advantage, not only in a pecuniary sense, but as tending to foster and strengthen those friendly feelings that ought eminently to prevail between two peoples mainly derived from the same origin, speaking the same language, and occupying the geographic position towards each other of the United States and Canada. We conveyed to you the assurance of the Canadian Government, that acting in this spirit, and in the confidence that we would be met in the same spirit by the Government of the Republic, the assent of Canada will be heartily given to any measure calculated to promote the free and fair interchange of commodities, to reduce the cost of transportation, or conduce to the joint advantage of the two countries, so that it be not seriously prejudicial to existing industrial interests of the Canadian people.

In the spirit of this assurance, we invited you to suggest for discussion the classes of manufactures that you would desire to have embraced in the new Treaty. This you declined to do; but you urged that we should indicate the enlargement of the old Treaty likely to be acceptable to both countries. Without acquiescing in the propriety of this course, we yielded to your wishes, and now proceed to fulfil our promise to do so.

Suggestions.

We propose that the new Treaty shall be for the term of twenty-one years,—to inspire confidence among business men investing their capital in such extensive enterprises as would naturally follow from the completion of a comprehensive Treaty.

We propose that the Treaty shall provide for the free admission into the United States, the Dominion of Canada, and the Island of Newfoundland, of the following articles, as under the Treaty of 1854:

Animals and their Products.

Animals of all kinds.	Meats, fresh, smoked, or salted.
Butter.	Pelts.
Cheese.	Poultry.
Eggs.	Skins, undressed.
Furs, undressed.	Tails, undressed.
Hides, undressed.	Tallow.
Horns.	Wool.
Lard.	

Products of the Farm.

Breadstuffs of all kinds.	Plants.
Broom-corn.	Rice.
Cotton-wool.	Seeds.
Flax, unmanufactured.	Shrubs.
Flour of all kinds.	Tobacco, unmanufactured.
Fruits, dried and undried.	Tow, unmanufactured.
Grain of all kinds.	Trees.
Hemp, unmanufactured.	Vegetables.

Products of the Forest.

Ashes.	Pitch.
Bark.	Tar.
Firewood.	Timber of all kinds, round, hewed, or sawed,
Lumber of all kinds, round, hewed, or sawed,	unmanufactured in whole or in part.
unmanufactured in whole or in part.	Turpentine.

Products of the Mine.

Burr or grindstones, hewn, wrought, or unwrought.	Marble in its crude or unwrought state.
Coal.	Ores of all kinds of metals.
Gypsum, ground or unground.	Slate.
	Stone in its crude or unwrought state.

Products of the Water.

Fish of all kinds.
 Fish, products of, and of all other creatures living in the water.
 Fish oil.

Sundries.

Dye-stuffs.
 Manures.
 Rags.

We propose the following additions to the above list of free articles :

Agricultural implements—to be defined.
 Bark, extracts of, for tanning purposes.
 Bath bricks.
 Bricks for building purposes.
 Earth ochres, ground or unground.
 Hay.
 Lime.
 Malt.
 Manufactures of iron or steel.

Manufactures of iron or steel and wood jointly.
 Manufactures of wood.
 Mineral and other oils.
 Plaster, raw or calcined.
 Salt.
 Straw.
 Stone, marble or granite, partly or wholly cut
 or wrought.

We propose that the enjoyment of the Canadian coast fisheries shall be conceded to the United States during the continuance of the new Treaty, in the manner and on the conditions provided under the Washington Treaty, except those in regard to the payment of money compensation for the privilege.

We propose that during the continuance of the Treaty the coasting trade of Canada and of the United States shall be thrown open to the vessels of both countries on a footing of complete reciprocal equality.

We propose that the Canadian canals, from Lake Erie to Montreal, be enlarged forth with at the expense of Canada, so as to admit of the passage of vessels 260 feet in length, with 45 feet beam, with a depth equal to the capacity of the lake harbours.

We propose that, during the continuance of the Treaty, all the Canadian canals and the Erie, Whitehall, Sault Ste. Marie, and Lake St. Clair canals, in the United States, shall be thrown open to the vessels, boats, and barges of both countries on the same terms and conditions to the citizens of both countries; and that full power be given to tranship cargo from ships or steamers into canal-boats at any canal entrance, and also to tranship boats into ships or steamers at any canal outlet.

The free navigation of the St. Lawrence River having been conceded for ever by Great Britain to the United States under the Washington Treaty, but the free navigation of Lake Michigan having been conceded for ten years only by the United States to Great Britain under the same Treaty, we propose that both concessions be placed on the same footing, free from restrictions as to reporting at any port in the United States other than the port of destination.

We propose that during the continuance of the Treaty vessels of all kinds, built in the United States or Canada, may be owned and sailed by the citizens of the other, and be entitled to registry in either country, and to all the benefits thereto pertaining.

We propose that a Joint Commission shall be formed, and continued during the operation of the Treaty, for deepening and maintaining in thoroughly efficient condition the navigation of the rivers St. Clair and Detroit, and Lake St. Clair, on whichever side of the river the best channel shall be found; the expense to be defrayed jointly by the contracting parties, by contributions corresponding to the commerce carried on in these waters by them respectively.

We propose that a Joint Commission shall be formed, at joint expense, and maintained during the operation of the new Treaty, for securing the erection and proper regulation of all lighthouses on the great lakes common to both countries, necessary to the security of the shipping thereon.

We propose that a Joint Commission shall be formed at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing grounds.

We propose that citizens of either country shall be entitled, during the continuance of the Treaty, to take out letters patent for new discoveries in the other country, on the same footing as if they had been citizens of that country.

We propose that the best method of discountenancing and punishing illicit trade between the countries shall be the subject of consideration and co-operation by the Customs authorities of the two countries.

That in case a Treaty of Commercial Reciprocity should not have been concluded before the end of the present session of Congress, the right of adjudication of the claim of Canada to compensation for the fisheries, under Articles XXII to XXV of the Treaty of Washington, would in no degree be waived, and that in that event the fulfilment of the stipulations contained in those articles would be immediately proceeded with.

Washington, D.C., April 27, 1874.

(Signed)

EDWARD THORNTON.
GEO. BROWN.

No. 9.

The Earl of Derby to Sir E. Thornton.

Sir,

Foreign Office, May 22, 1870.

I HAVE received your despatch of the 28th ultimo forwarding a copy of the Memorandum containing proposals for a Reciprocity Treaty, which has been submitted by yourself and Mr. Brown to the United States' Government, and I have to state to you that Her Majesty's Government approve this paper, which appears to be drawn up with care and ability.

I am, &c.

(Signed) DERBY.

No. 10.

Sir E. Thornton to the Earl of Derby.—(Received June 30.)

(Extract.)

Washington, June 17, 1874.

I HAVE the honour to inform your Lordship that, after a great many conferences which Mr. Brown and I have had during the last few days with Mr. Fish, we have at length agreed upon a draft Treaty for the regulation of the commercial relations between the United States and Canada, which Mr. Fish has promised to send to the Senate to-morrow with a view to eliciting an opinion from that body whether it will be expedient to sign a Treaty on the basis of the stipulations proposed in the draft.

I have the honour to inclose a copy of this draft.

Inclosure in No. 10.

Draft of Reciprocity Treaty to be submitted to the Senate.

HER Majesty the Queen of Great Britain and the United States of America, being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty's possessions in North America and the United States, in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say:—

* * * * *

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles:—

ARTICLE I.

It is agreed by the High Contracting Parties that, in addition to the liberty secured to the United States' fishermen by the Convention between Great Britain and the United States, signed at London on the 20th day of October, 1818, of taking, curing, and drying fish on certain coasts of the British North American Colonies therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty, for the term of years mentioned in Article XV of this Treaty, to take fish of every kind, except shell-fish, on the sea-coasts and shores, and in the bays, harbours, and creeks of the Provinces of Quebec, Nova Scotia, and New Brunswick, and the Colony of Prince Edward Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to

land upon the said coasts, and shores, and islands, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish; provided that, in so doing, they do not interfere with the rights of private property, or with British fishermen, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries, and all other fisheries in rivers and the mouths of rivers, are hereby reserved exclusively for British fishermen.

ARTICLE II.

It is agreed by the High Contracting Parties that British subjects shall have, in common with the citizens of the United States, the liberty, for the term of years mentioned in Article XV of this Treaty, to take fish of every kind, except shell-fish, on the eastern sea-coasts and shores of the United States north of the thirty-ninth parallel of north latitude, and on the shores of the several islands thereunto adjacent, and in the bays, harbours, and creeks of the said sea-coasts and shores of the United States and of the said islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the islands aforesaid, for the purpose of drying their nets and curing their fish; provided that, in so doing, they do not interfere with the rights of private property, or with the fishermen of the United States, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries, and all other fisheries in rivers and mouths of rivers are hereby reserved exclusively for fishermen of the United States.

ARTICLE III.

It is agreed that the places designated by the Commissioners appointed under the 1st Article of the Treaty between Great Britain and the United States, concluded at Washington on the 5th of June, 1854, upon the coasts of Her Britannic Majesty's dominions and the United States, at places reserved from the common right of fishing under that Treaty, shall be regarded as in like manner reserved from the common right of fishing under the preceding Articles. In case any question should arise between the Government of Her Britannic Majesty and of the United States as to the common right of fishing in places not thus designated as reserved, it is agreed that a Commission shall be appointed to designate such places, and shall be constituted in the same manner, and have the same powers, duties, and authority as the Commission appointed under the said 1st Article of the Treaty of the 5th of June, 1854.

ARTICLE IV.

It is agreed that the Articles enumerated in Schedules A, B, and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall, on their importation from the one country into the other, from the 1st day of July, 1875, to the 30th day of June, 1876 (both included), pay only two-thirds of the duties payable at the date of this Treaty on the importation into such country of such articles respectively; and from the 1st of July, 1876, to the 30th day of June, 1877 (both included), shall pay only one-third of such duties; and on and after the 1st day of July, 1877, for the period of years mentioned in Article XIII of this Treaty, shall be admitted free of duty into each country respectively.

For the term mentioned in Article XIII, no other or higher duty shall be imposed in the United States upon other Articles not enumerated in said Schedules, the growth, produce, or manufacture of Canada: or in Canada, upon such other articles, the growth, produce, or manufacture of the United States, than are respectively imposed upon like articles, the growth, produce, or manufacture of Great Britain, or of any other country.

SCHEDULE (A), consisting of the following Natural Products:—

Animals of all kinds.
Ashes, pot, pearl, and soda.
Bark.
,, extract, for tanning purposes.

Bath bricks.
Breadstuffs of all kinds.
Bricks for building, and fire-bricks.
Broom corn.

Burr or grindstones, hewn, wrought, or unwrought.	Marble, stone, slate, or granite, wrought or unwrought.
Butter.	Meats, fresh, smoked, or salted.
Cheese.	Ores, of all kinds of metals.
Coal and coke.	Pelts.
Cotton-wool.	Peas, whole or split.
Cotton-waste.	Petroleum oil, crude, refined, or benzole.
Dyestuffs.	Pitch.
Earths, clays, ochres, and sand, ground or unground.	Plants.
Eggs.	Poultry, and birds of all kinds.
Fish of all kinds.	Rags of all kinds.
Fish, products of, and of all other creatures living in the waters, except fish preserved in oil.	Rice.
Firewood.	Salt.
Flax, unmanufactured.	Seeds.
Flour, and meals of all kinds.	Shrubs.
Fruits, green or dried.	Skins.
Furs, undressed.	Straw.
Grain of all kinds.	Tails.
Gypsum, ground, unground, or calcined.	Tallow.
Hay.	Tar.
Hemp, unmanufactured.	Timber and lumber of all kinds, round, hewed, and sawed, unmanufactured, in whole or in part.
Hides.	Tobacco, unmanufactured.
Horns.	Tow, unmanufactured.
Lard.	Trees.
Lime.	Turpentine.
Malt.	Vegetables.
Manures.	Wool.

SCHEDULE (B), consisting of the following Agricultural Implements :—

Axes.	Harrows.
Bag-holders.	Hoes, hand or horse.
Beehives.	Horse-rakes.
Bone-crushers, or parts thereof.	Horse-power machines, or parts thereof.
Cultivators, or parts thereof.	Hay-tedders, or parts thereof.
Chaff-cutters, or parts thereof.	Liquid manure carts, or parts thereof.
Corn-huskers, or parts thereof.	Manure-sowers, or parts thereof.
Cheese-vats.	Mowers, or parts thereof.
Cheese factory heaters.	Oil and oil-cake crushers, or parts thereof.
Cheese-presses, or parts thereof.	Ploughs, or parts thereof.
Churns, or parts thereof.	Root and seed planters, or parts thereof.
Cattle-feed boilers and steamers, or parts thereof.	Root-cutters, pulpers, and washers, or parts thereof.
Ditchers, or parts thereof.	Rakes.
Field-rollers, or parts thereof.	Reapers, or parts thereof.
Fanning-mills, or parts thereof.	Reaper and mower combined, or parts thereof.
Feed-choppers, or parts thereof.	Spades.
Forks for hay and manure, hand or horse.	Shovels.
Grain-drills, or parts thereof.	Scythes.
Grain broadcast sowers, or parts thereof.	Snaiths.
Grain-crushers, or parts thereof.	Threshing machines, or parts thereof.

SCHEDULE (C), consisting of the following Manufactures :—

Axles, all kinds.	Leather, harness and saddlery of.
Boots and shoes of leather.	Mill, or factory, or steamboat, fixed engines and machines, or parts thereof.
Boot and shoe-making machines.	Manufactures of marble, stone, slate, or granite.
Buffalo robes, dressed and trimmed.	Manufactures of wood solely, or of wood nailed, bound, hinged, or locked, with metal materials.
Cotton grain-bags.	Mangles, washing machines, wringing machines, and drying machines, or parts thereof.
Cotton denims.	Printing paper, for newspapers.
Cotton jeans, unbleached.	Paper-making machines, or parts thereof.
Cotton drillings, unbleached.	Printing type, presses and folders, paper cutters, ruling machines, page-numbering machines, and stereotyping and electrotyping apparatus, or parts thereof.
Cotton tickings.	Refrigerators, or parts thereof.
Cotton plaids.	Railroad cars, carriages, and trucks, or parts thereof.
Cottonades, unbleached.	Sainets of wool and cotton.
Cabinet ware and furniture, or parts thereof.	Steam-engines, or parts thereof.
Carriages, carts, waggons, and other wheeled vehicles, and sleighs, or parts thereof.	Steel, wrought or cast, and steel plates and rails.
Fire engines, or parts thereof.	Tin tubes and piping.
Felt covering for boilers.	Twineds of wood solely.
Gutta-percha belting and tubing.	Water-wheel machines and apparatus, or parts thereof.
Iron—bar, hoop, pig, puddled, rod, sheet, or scrap.	
„ nails, spikes, bolts, tacks, bracks, or sprigs.	
„ casings.	
India-rubber belting and tubing.	
Locomotives for railways, or parts thereof.	
Lead, sheet or pig.	
Leather, sole or upper.	

ARTICLE V.

It is agreed that the Canadian canals on the main route from Lake Erie to Montreal, shall be enlarged forthwith, at the expense of the Dominion of Canada, so as to admit the passage of vessels drawing twelve feet of water; and the locks on the said canals shall be made of not less than 270 feet in length, 45 feet width, and not less than 12 feet depth on the mitre sill; and that the channel of the St. Lawrence River shall be deepened in the several reaches between the canals wherever the same may be necessary, so as to allow the free passage of vessels drawing twelve feet of water. And the work engaged to be done in this Article, shall be completed by the first day of January, 1880.

ARTICLE VI.

It is agreed that the Government of Canada shall construct, on or before the first day of January, 1880, a canal to connect the St. Lawrence River, at some convenient point at or near Caughnawaga with Lake Champlain. The dimensions of said canal shall be such as to admit the passage of vessels drawing twelve feet of water, and the locks shall be of not less dimensions than those named in the preceding Article.

And the United States engage to urge upon the Government of the State of New York, to cause the existing canal from Whitehall, on Lake Champlain, to Albany, to be enlarged, and if necessary, extended, or another canal, or canals, to be constructed of equal capacity with the proposed Caughnawaga Canal as hereinbefore specified; and the navigation of the Hudson River to be improved, so as to admit the passage from Lake Champlain to the lower waters of the Hudson River, of vessels drawing twelve feet of water.

ARTICLE VII.

Citizens of the United States may, during the term of years mentioned in Article XIII of this Treaty, carry in their vessels cargo and passengers from one Canadian port to another on the great lakes or River St. Lawrence. Reciprocally, inhabitants of Canada, subjects of Her Britannic Majesty, may, during the like period, carry in their vessels cargo and passengers from one port of the United States on the great lakes or River St. Lawrence to another on the said lakes or river. Citizens of the United States in their vessels, and inhabitants of Canada, subjects of Her Britannic Majesty, in their vessels, may, during the like term, carry cargo and passengers from any port of the United States or of Canada on the Red River or the waters connecting therewith, to any other port on the said river or waters connecting therewith.

ARTICLE VIII.

It is agreed that for the term of years mentioned in Article XIII of this Treaty, the citizens of the United States shall enjoy the use of the Welland, the St. Lawrence, and other canals in the Dominion of Canada (including the proposed Caughnawaga Canal) on terms of equality with the inhabitants of the Dominion of Canada.

And that, without interfering with the right of the Government of Canada, to impose such tolls on the aforesaid Canadian canals respectively, as it may think fit, the tolls shall be levied in relation to the number of locks on each canal without any drawback or discrimination, whatever the destination of the vessels, or whether one or more canal or canals or part of a canal be passed.

And it is also agreed, that for the like term of years, the inhabitants of Canada shall enjoy the use of the St. Clair Flats Canal, on terms of equality with the inhabitants of the United States, and that the navigation of Lake Champlain and of Lake Michigan, shall be free and open for the purposes of commerce to the inhabitants of Canada, subject to any laws and regulations of the United States, or of the States bordering thereon respectively, not inconsistent with such privilege of free navigation.

And the United States further engage to urge upon the Governments of the States of New York and of Michigan, to secure to the inhabitants of Canada the use of the Erie, the Whitehall, the Sault Ste. Marie Canals, and of any enlarged, or extended, or new canal, or other improvement connecting Lake Champlain with the lower waters of the Hudson River, which may be made as contemplated in Article VI, on terms of equality with the inhabitants of the United States.

And it is mutually agreed that full power shall be given and allowed to tranship cargo from vessels into canal boats and from canal boats into vessels at either terminus of every canal.

And further, that if the use of the Erie and Whitehall, or other canal connecting Lake Champlain with the lower waters of the Hudson River and of the Sault Ste. Marie Canal, be not granted to the inhabitants of Canada, on terms of equality with the citizens of the United States as contemplated in this Article, then the use of the proposed Caughnawaga Canal by citizens of the United States, as above contemplated, shall be suspended and cease until the use of the said canals in the United States shall be secured to the inhabitants of Canada as above contemplated.

ARTICLE IX.

For the term of years mentioned in Article XIII of this Treaty vessels of all kinds built in the United States may be purchased by inhabitants of Canada, subjects of Great Britain, and registered in Canada as Canadian vessels; and reciprocally, vessels of all kinds built in Canada may be purchased by citizens of the United States, and registered in the United States as United States' vessels.

ARTICLE X.

A joint Commission shall be established and maintained at joint expense during the operation of this Treaty for advising the erection and proper regulation of all lighthouses on the great lakes common to both countries, necessary to the security of the shipping thereon.

ARTICLE XI.

A joint Commission shall also be established at joint expense and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries and to enforce the laws enacted for the protection of the fish and fishing grounds.

ARTICLE XII.

It is further agreed that, the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect, by either of the Legislative bodies aforesaid, shall not in any way impair any other Articles of this Treaty.

ARTICLE XIII.

This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within months from the date hereof, then this Treaty shall be null and void. But such legislative assent having been given, this Treaty shall remain in force for the period of twenty-one years from the date at which it shall come into operation, and further until the expiration of three years after either of the High Contracting Parties shall have given notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said period of twenty-one years or at any time afterward.

ARTICLE XIV.

When the ratifications of this Treaty shall have been exchanged and the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other hand, then Articles XXII, XXIII, XXIV, and XXV of the Treaty of May 8, 1871, between Great Britain and the United States, shall become null and void.

ARTICLE XV.

This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London within months from the date hereof, or earlier, if possible.

No. 11.

The Earl of Derby to Sir E. Thornton.

Sir,

Foreign Office, July 3, 1874.

I HAVE received your despatch of the 17th ultimo, forwarding the amended draft Reciprocity Treaty which Mr. Fish has promised to submit to the Senate; and I have to state to you that Her Majesty's Government approve your proceedings in the matter.

I am, &c.

(Signed) DERBY.

No. 12.

The Earl of Derby to Mr. Thornton.

(Extract.)

Foreign Office, July 3, 1874.

I HAVE considered the question of the revival of the Fisheries Commission in communication with Her Majesty's Secretary of State for the Colonies, who has also ascertained the views of the Canadian Government on the subject; and I have to instruct you to address a note to Mr. Fish stating that, on the understanding that the draft Reciprocity Treaty, as agreed to by him, will be considered by the Senate in December next, Her Majesty's Government will await the final result of the consideration which the Treaty may then receive in the Senate, before taking any fresh steps with regard to the Fisheries Commission.

You will add that Her Majesty's Government wish it to be clearly understood that their right to revert to the provisions of the Treaty of Washington for the appointment of the Fisheries Commission is in no way prejudiced by the delay that has occurred or may occur in consequence of the proceedings with reference to the Reciprocity Treaty.

No. 13.

Sir E. Thornton to the Earl of Derby.—(Received July 5.)

(Extract.)

Washington, June 23, 1874.

WITH reference to my despatch of yesterday's date, I have the honour to inform your Lordship that the draft Treaty for regulating reciprocal commercial relations between the United States and Canada was taken into consideration by the Senate yesterday afternoon in secret session. Mr. Brown and I have not yet been able to learn the precise decision which has been come to upon the subject; but we understand that the Senate, being of opinion that the time was too short to go into a thorough examination of so important a question, decided that its consideration should be postponed till the session of Congress, to be held in December next.

NORTH AMERICA. No. 4 (1874).

CORRESPONDENCE relating to the Negotiations for
a Reciprocity Treaty between Canada and the
United States.

*Presented to both Houses of Parliament by Command
of Her Majesty. 1874.*

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